DISCLAIMER – FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Bank of Georgia Group PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional tensions and instability; loan portfolio quality; regulatory risk; liquidity risk; operational risk, cyber security, information systems and financial crime risk; and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports of the Group, including the 'Principal Risks and Uncertainties' included in Bank of Georgia Group PLC's Annual Report and Accounts 2018. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Bank of Georgia Group PLC or any other entity within the Group, and must not be relied upon in any way in connection with any investment decision. Bank of Georgia Group PLC and other entities within the Group undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.
## Top Shareholders

<table>
<thead>
<tr>
<th>Rank</th>
<th>Shareholder name</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>JSC Georgia Capital*</td>
<td>19.90%</td>
</tr>
<tr>
<td>2</td>
<td>Harding Loevner LP</td>
<td>4.58%</td>
</tr>
<tr>
<td>3</td>
<td>JP Morgan Asset Management</td>
<td>3.11%</td>
</tr>
<tr>
<td>4</td>
<td>Dimensional Fund Advisors (DFA)</td>
<td>2.69%</td>
</tr>
<tr>
<td>5</td>
<td>Norges Bank Investment Management</td>
<td>2.65%</td>
</tr>
<tr>
<td>6</td>
<td>LGM Investments Ltd</td>
<td>2.51%</td>
</tr>
<tr>
<td>7</td>
<td>Van Eck Global</td>
<td>2.51%</td>
</tr>
<tr>
<td>8</td>
<td>Jupiter Asset Management</td>
<td>2.43%</td>
</tr>
<tr>
<td>9</td>
<td>Vanguard Group Inc</td>
<td>2.36%</td>
</tr>
<tr>
<td>10</td>
<td>Grandeur Peak Global Advisors LLC</td>
<td>2.06%</td>
</tr>
</tbody>
</table>

* JSC Georgia Capital will exercise its voting rights at the Group’s general meetings in accordance with the votes cast by all other Group Shareholders, as long as JSC Georgia Capital’s percentage holding in Bank of Georgia Group PLC is greater than 9.9%.

** Includes 19.9% shareholding of JSC Georgia Capital.

---

The Group has been included in the **FTSE 250** and **FTSE All-share Index Funds** since 18 June 2012.
DELIVERING ON GROUP STRATEGY

SUCCESSFUL TRACK RECORD OF DELIVERING STRONG RESULTS

BANKING BUSINESS KEY TARGETS

1. ROAE 20%+

<table>
<thead>
<tr>
<th>Year</th>
<th>ROAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>22.2%</td>
</tr>
<tr>
<td>2017</td>
<td>25.2%</td>
</tr>
<tr>
<td>2018</td>
<td>26.4%</td>
</tr>
<tr>
<td>1Q19</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

2. Loan book growth 15%-20%

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>24.5%</td>
</tr>
<tr>
<td>2017</td>
<td>15.9%</td>
</tr>
<tr>
<td>2018</td>
<td>21.4%</td>
</tr>
<tr>
<td>1Q19</td>
<td>22.4%</td>
</tr>
</tbody>
</table>

3. Robust Capital Management Track Record

- **Capital position:** We aim to maintain +200bps buffer for CET1 and Tier 1 ratios over minimum regulatory requirement.
- **Maintain regular dividend payouts:** Aiming 25-40% dividend payout ratio.
- **GEL 500mln+ cash dividend paid since 2013, with payout ratio above 30% over past 6 years.**
- **Management trust buybacks:** GEL 52.0mln share buy-backs in 2018.

**Regular Dividends**

- **Payout ratio:**
  - 2013: 30%
  - 2014: 36%
  - 2015: 33%
  - 2016: 34%
  - 2017: 32%
  - 2018: 30%
  - 2019: 30%

- **GEL millions:**
  - 2013: 51
  - 2014: 72
  - 2015: 80
  - 2016: 98
  - 2017: 102
  - 2018: 122
  - 2019: 124

- **Total dividend paid during the year**
- **Dividend yield***

---

*2018 ROAE adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, GEL 30.3mln one-off impact of re-measurement of deferred tax balances and GEL 3.9mln (net of income tax) termination costs of the former CEO.

**1Q19 ROAE adjusted for GEL 10.2mln (net of income tax) termination costs of the former CEO and executive management.

***Dividend yield for 2013-2018 years is calculated based on the closing price of the shares immediately prior to ex-dividend date. Dividend yield for 2019 is calculated based on the closing price of the shares on 10 May 2019.
RESULTS HIGHLIGHTS

Income Statement | Quarterly**

<table>
<thead>
<tr>
<th>GEL thousands unless otherwise noted</th>
<th>1Q19</th>
<th>1Q18</th>
<th>Change y-o-y</th>
<th>4Q18</th>
<th>Change q-o-q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>182,941</td>
<td>180,249</td>
<td>1.5%</td>
<td>187,438</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>42,180</td>
<td>34,511</td>
<td>22.2%</td>
<td>41,344</td>
<td>2.0%</td>
</tr>
<tr>
<td>Net foreign currency gain</td>
<td>30,025</td>
<td>14,253</td>
<td>110.7%</td>
<td>53,358</td>
<td>-43.7%</td>
</tr>
<tr>
<td>Net other income (expense)</td>
<td>3,568</td>
<td>5,744</td>
<td>-37.9%</td>
<td>(9,073)</td>
<td>NMF</td>
</tr>
<tr>
<td>Operating income</td>
<td>258,714</td>
<td>234,757</td>
<td>10.2%</td>
<td>273,067</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(91,927)</td>
<td>(87,379)</td>
<td>5.2%</td>
<td>(100,857)</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>188</td>
<td>318</td>
<td>-40.9%</td>
<td>318</td>
<td>-60.9%</td>
</tr>
<tr>
<td>Operating profit before cost of risk</td>
<td>166,975</td>
<td>147,696</td>
<td>13.1%</td>
<td>172,528</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>(42,652)</td>
<td>(33,813)</td>
<td>26.1%</td>
<td>(40,778)</td>
<td>4.6%</td>
</tr>
<tr>
<td>Net operating profit before non-recurring items and income tax</td>
<td>124,323</td>
<td>113,883</td>
<td>9.2%</td>
<td>131,750</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Net non-recurring items</td>
<td>(1,575)</td>
<td>(2,943)</td>
<td>46.6%</td>
<td>(2,185)</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Profit before income tax expense and one-off termination costs</td>
<td>122,748</td>
<td>110,935</td>
<td>10.6%</td>
<td>129,565</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(10,536)</td>
<td>(9,283)</td>
<td>13.5%</td>
<td>(10,888)</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Profit adjusted for one-off termination costs</td>
<td>112,212</td>
<td>101,652</td>
<td>10.4%</td>
<td>118,677</td>
<td>-5.4%</td>
</tr>
<tr>
<td>One-off termination costs of former CEO and executive management (after tax)</td>
<td>(10,240)</td>
<td>-</td>
<td>NMF</td>
<td>(3,861)</td>
<td>NMF</td>
</tr>
<tr>
<td>Profit</td>
<td>101,972</td>
<td>101,652</td>
<td>0.3%</td>
<td>114,816</td>
<td>-11.2%</td>
</tr>
</tbody>
</table>

Balance Sheet

<table>
<thead>
<tr>
<th>GEL thousands unless otherwise noted</th>
<th>Banking Business</th>
<th>Key Ratios***</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mar-19</td>
<td>Mar-18</td>
</tr>
<tr>
<td>Liquid assets</td>
<td>4,502,390</td>
<td>4,514,326</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,162,568</td>
<td>1,754,920</td>
</tr>
<tr>
<td>Amounts due from credit institutions</td>
<td>1,391,620</td>
<td>955,175</td>
</tr>
<tr>
<td>Investment securities</td>
<td>1,948,592</td>
<td>1,804,231</td>
</tr>
<tr>
<td>Loans to customers and finance lease receivables</td>
<td>9,570,691</td>
<td>7,819,773</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>349,728</td>
<td>324,810</td>
</tr>
<tr>
<td>Total assets</td>
<td>15,054,570</td>
<td>13,194,528</td>
</tr>
<tr>
<td>Client deposits and notes</td>
<td>8,393,861</td>
<td>7,296,110</td>
</tr>
<tr>
<td>Amounts due to credit institutions</td>
<td>2,463,608</td>
<td>2,642,427</td>
</tr>
<tr>
<td>Borrowings from DFI</td>
<td>1,309,976</td>
<td>1,191,605</td>
</tr>
<tr>
<td>Short-term loans from NBG</td>
<td>585,797</td>
<td>729,244</td>
</tr>
<tr>
<td>Loans and deposits from commercial banks</td>
<td>567,635</td>
<td>721,578</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>2,045,428</td>
<td>1,569,604</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>13,195,789</td>
<td>11,597,058</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,918,781</td>
<td>1,597,470</td>
</tr>
</tbody>
</table>

Key Ratios***

<table>
<thead>
<tr>
<th>1Q19</th>
<th>1Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAA**</td>
<td>3.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>ROAE**</td>
<td>24.5%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>5.8%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Loan Yield</td>
<td>12.2%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Liquid assets yield</td>
<td>3.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Cost of Funds</td>
<td>4.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Cost of Client Deposits and Notes</td>
<td>3.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Cost of Amounts Due to Credit Institutions</td>
<td>7.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Cost of Debt Securities Issued</td>
<td>7.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Cost / Income****</td>
<td>35.5%</td>
<td>37.2%</td>
</tr>
<tr>
<td>NPLs to Gross Loans to Clients</td>
<td>3.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>NPL Coverage Ratio</td>
<td>92.2%</td>
<td>101.2%</td>
</tr>
<tr>
<td>NPL Coverage Ratio, Adjusted for discounted value of collateral</td>
<td>132.6%</td>
<td>143.2%</td>
</tr>
<tr>
<td>Cost of Credit Risk</td>
<td>12.7%</td>
<td>12.4%</td>
</tr>
<tr>
<td>NBF (Basel III) Tier I Capital Adequacy Ratio</td>
<td>17.1%</td>
<td>17.3%</td>
</tr>
<tr>
<td>NBF (Basel III) Total Capital Adequacy Ratio</td>
<td>132.6%</td>
<td>143.2%</td>
</tr>
</tbody>
</table>

* The detailed financials of the Group are provided on pages 54-55
** The income statement adjusted profit excludes GEL 10.2mln in 1Q19 (4Q18: GEL 3.9mln) one-off employee costs (net of income tax) related to former CEO and executive management termination benefits. The amount is comprised of GEL 4.0mln (gross of income tax) excluded from non-recurring items (4Q18: GEL 4.4mln) and GEL 7.8mln (gross of income tax) excluded from salaries and other employee benefits. 1Q19 and 4Q18 ROAE and ROAA have been adjusted accordingly. Full IFRS income statement is presented on page 54
*** For the definition of Key Ratios, refer to page 65
**** 1Q19 cost/income ratio adjusted for GEL 7.8mln one-off employee costs (gross of income tax) related to termination benefits of the former executive management
CONTENTS

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THE LEADING BANK IN GEORGIA

BOG – Leading Bank in Attractive Banking Sector

- **Top Systemically important financial institution in Georgia**
- **Market position in Georgia** by assets (35.1%), loans (33.8%), client deposits (34.6%) and equity (29.9%) as of 31 March 2019(1)
- **Market with stable growth perspectives**: Real GDP average annual growth rate of 4.5% for 2007-2018; 4.7% real GDP growth in 1Q19 according to Geostat. Loans to GDP increased from 8.8% to 64.2% during 2003-1Q19; Deposits to GDP increased from 8.4% to 55.4% over the same period
- **Strong brand name recognition and retail banking franchise**: Offers the broadest range of financial products to the retail market through a network of 271 branches, 886 ATMs, 3,152 Express Pay Terminals and c.2.5 million customers as of 31 March 2019
- **Sustainable high profitability** with average ROAE of more than 20% over the last three years on the back of strong NIM, low cost of risk and stringent cost control
- **Resilient credit profile**: Well-capitalised, diversified and high quality loan book and strong liquidity profile
- **High standards of transparency and governance**: The first entity from Georgia to be listed on the premium segment of the Main Market of the London Stock Exchange (LSE:BGEO) since February 2012. LSE listed through GDRs since 2006

Balance Sheet Highlights

- **CAGR**
  - Total assets: 16.9%
  - Net loans: 19.5%
  - Client deposits: 17.2%

Income Statement Highlights

- **Operating income**
  - 1Q18: GEL 235m, 2Q18: GEL 253m
  - 3Q18: GEL 269m, 4Q18: GEL 273m

- **Profit**
  - 1Q18: GEL 102m, 2Q18: GEL 104m
  - 3Q18: GEL 119m, 4Q18: GEL 112m

- **ROAE**
  - 1Q18: 26.2%, 2Q18: 25.4%
  - 3Q18: 26.8%, 4Q18: 27.0%

Credit ratings from global rating agencies

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
<th>Outlook</th>
<th>Affirmed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>Ba3/Ba2</td>
<td>Stable</td>
<td>14-Sep-17</td>
</tr>
<tr>
<td>Fitch</td>
<td>BB-</td>
<td>Stable</td>
<td>15-Apr-19</td>
</tr>
</tbody>
</table>

---

(1) Market data based on standalone accounts as published by the National Bank of Georgia (NBG) [www.nbg.gov.ge](http://www.nbg.gov.ge)
(2) 2Q18 results adjusted for GEL 30.3mln demerger related costs, GEL 8.0mln demerger related corporate income tax gain, and GEL 30.3mln one-off impact of re-measurement of deferred tax balances
(3) 4Q18 results adjusted for GEL 3.9mln (net of income tax) termination costs of the former CEO
(4) 1Q19 results adjusted for GEL 10.2mln (net of income tax) termination costs of the former CEO and executive management
THE COMPETITION

Leading market position in Georgia by assets (35.1%), loans (33.8%), client deposits (34.6%) and equity (29.9%)

Peer group’s market share in total assets

Peer group’s market share in gross loans

Foreign banks market share by assets

Peer group’s market share in client deposits

No state ownership of commercial banks since 1994

Market data based on standalone accounts as published by the National Bank of Georgia (NBG) as of 31 March 2019 www.nbg.gov.ge
STRONG UNDERLYING PERFORMANCE

Operating income growth | quarterly

Banking Business

<table>
<thead>
<tr>
<th></th>
<th>GEL millions</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>234.8</td>
<td>54.6</td>
<td>180.2</td>
<td>29%</td>
</tr>
<tr>
<td>4Q18</td>
<td>273.1</td>
<td>85.7</td>
<td>187.4</td>
<td>69%</td>
</tr>
<tr>
<td>1Q19</td>
<td>258.7</td>
<td>75.8</td>
<td>182.9</td>
<td>71%</td>
</tr>
</tbody>
</table>

GEL millions

Net interest income

Net non-interest income

Operating expenses(1) | quarterly

Banking Business

<table>
<thead>
<tr>
<th></th>
<th>GEL millions</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>87.4</td>
<td>0.8</td>
<td>11.5</td>
<td>25.6</td>
</tr>
<tr>
<td>4Q18</td>
<td>100.9</td>
<td>11.2</td>
<td>30.0</td>
<td>58.3</td>
</tr>
<tr>
<td>1Q19</td>
<td>91.9</td>
<td>1.2</td>
<td>11.4</td>
<td>52.4</td>
</tr>
</tbody>
</table>

GEL millions

Other operating expenses

Administrative expenses

Depreciation and amortisation

Salaries and other employee benefits

Net non-interest income | quarterly

Banking Business

<table>
<thead>
<tr>
<th></th>
<th>GEL millions</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>54.6</td>
<td>5.8</td>
<td>14.3</td>
<td>34.5</td>
</tr>
<tr>
<td>4Q18</td>
<td>85.7</td>
<td>14.3</td>
<td>41.3</td>
<td>42.2</td>
</tr>
<tr>
<td>1Q19</td>
<td>75.8</td>
<td>3.6</td>
<td>42.2</td>
<td></td>
</tr>
</tbody>
</table>

GEL millions

Net fee and commission income

Net foreign currency gain

Net other income

Cost / Income(1) | quarterly

Banking Business

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>37.2%</td>
<td>36.9%</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating Leverage(1): +5.0% y-o-y +3.6% q-o-q

(1) 1Q19 operating expenses, and cost to income ratio and operating leverage, respectively, adjusted for GEL 7.8mln one-off employee costs related to termination benefits of former executive management (excluded from salaries and other employee benefits)
GROWING INCOME NOTWITHSTANDING THE PRESSURE ON YIELDS

Loan Yields | quarterly
--- | ---
Banking Business
1Q18 | 13.9% Net loans, FC, consolidated | 58.8% Net loans, GEL, consolidated | 12.2% Currency-blended loan yield, annualised
4Q18 | 12.8% | 61.7% |
1Q19 | 12.2% | 60.7% |

Loan Yields | full-year
--- | ---
Banking Business
2015 | 14.7% Net loans, FC, consolidated | 72.0% Net loans, GEL, consolidated | 14.7% Currency-blended loan yield, annualised
2016 | 14.2% | 71.3% |
2017 | 14.2% | 61.7% |
2018 | 13.5% | 61.7% |

Loan Yields, Local currency | quarterly
---
Banking Business
1Q18 | 21.0% Net loans, FC, consolidated | 21.0% Net loans, GEL, consolidated | 18.4% Currency-blended loan yield, annualised
4Q18 | 19.7% | 19.7% |
1Q19 | 18.4% | 18.4% |

Loan Yields, Foreign currency | quarterly
---
Banking Business
1Q18 | 9.1% Net loans, FC, consolidated | 9.1% Net loans, GEL, consolidated | 8.3% Currency-blended loan yield, annualised
4Q18 | 8.3% | 8.3% |
1Q19 | 8.3% | 8.3% |
STABLE COST OF FUNDING

**Cost of Customer Funds | quarterly**

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client deposits, FC, consolidated</td>
<td>3.4%</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Client deposits, GEL, consolidated</td>
<td>66.2%</td>
<td>67.5%</td>
<td>67.1%</td>
</tr>
<tr>
<td>Currency-blended cost of client deposits, annualised</td>
<td>33.8%</td>
<td>32.5%</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

**Cost of Customer Funds | full-year**

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client deposits and notes, FC, consolidated</td>
<td>4.3%</td>
<td>3.8%</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Client deposits and notes, GEL, consolidated</td>
<td>74.9%</td>
<td>76.8%</td>
<td>69.5%</td>
<td>67.5%</td>
</tr>
<tr>
<td>Currency-blended cost of client deposits and notes</td>
<td>25.1%</td>
<td>23.2%</td>
<td>30.5%</td>
<td>32.5%</td>
</tr>
</tbody>
</table>

**Cost of Funds | quarterly**

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.8%</td>
<td>5.0%</td>
<td>4.8%</td>
<td></td>
</tr>
</tbody>
</table>

**Cost of Funds | full-year**

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1%</td>
<td>4.7%</td>
<td>4.7%</td>
<td>5.0%</td>
<td></td>
</tr>
</tbody>
</table>
DIVERSIFIED ASSET STRUCTURE AND LOAN PORTFOLIO

**Total asset structure | 31 March 2019**

- **Loans to customers, net**: 63.6%
- **Liquid assets**: 29.9%
- **Other assets**: 6.5%
- **Total**: GEL 15.1bln

**Banking Business**

**Liquid assets | 31 March 2019**

- **Cash and equivalents**: 25.8%
- **Other liquid assets**: 21.0%
- **Amounts due from credit institutions**: 30.9%
- **Government bonds, treasury bills, NBG CDs**: 22.3%
- **Total**: GEL 4.5bln

**Loans breakdown | 31 March 2019**

**Bank of Georgia Standalone**

- **Total Gross Loans breakdown by segments**
  - **Total**: GEL 9.3bln
  - **Corporate Loans, GEL 2,799.0 mln, 30.0%**
  - **Retail Loans, GEL 6,519.8 mln, 70.0%**

**Retail Banking Net Loans breakdown by product**

- **Total**: GEL 6.4bln
  - **Mortgage Loans**: 40.2%
  - **Micro- and agro-financing loans and SME loans**: 32.4%
  - **General consumer loans**: 20.7%
  - **Credit cards and overdrafts**: 4.1%
  - **Other**: 2.6%

- **1.6% of total clients**

**Corporate Investment Banking Gross Loans breakdown by sectors**

- **Total**: GEL 2.8bln
  - **Manufacturing**: 32.8%
  - **Trade**: 16.7%
  - **Real estate**: 10.0%
  - **Other**: 8.8%
  - **Hospitality**: 3.1%
  - **Service**: 4.1%
  - **Transport & Communication**: 1.9%
  - **Electricity, gas and water supply**: 2.8%
  - **Financial intermediation**: 1.3%
  - **Mining and quarrying**: 4.1%
  - **Health and social work**: 3.0%
LOAN PORTFOLIO BREAKDOWN

Retail Banking | 31 Mar 2019

JSC Bank of Georgia standalone

<table>
<thead>
<tr>
<th>Amounts in GEL millions</th>
<th>RB Loan portfolio</th>
<th>% of total RB loan portfolio</th>
<th>Mortgages</th>
<th>Consumer loans*</th>
<th>SME &amp; Micro</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEL and other currency loans*</td>
<td>4,348</td>
<td>66.7%</td>
<td>1,318</td>
<td>1,623</td>
<td>1,407</td>
</tr>
<tr>
<td>USD loans with USD income</td>
<td>397</td>
<td>6.1%</td>
<td>316</td>
<td>58</td>
<td>23</td>
</tr>
<tr>
<td>USD loans with non-USD income</td>
<td>1,774</td>
<td>27.2%</td>
<td>945</td>
<td>153</td>
<td>677</td>
</tr>
<tr>
<td>Total</td>
<td>6,520</td>
<td>100.0%</td>
<td>2,579</td>
<td>1,835</td>
<td>2,107</td>
</tr>
</tbody>
</table>

* Includes credit cards

Corporate Investment Banking | 31 Mar 2019

JSC Bank of Georgia standalone

<table>
<thead>
<tr>
<th>Amounts in GEL millions</th>
<th>CB &amp; WM Loan portfolio</th>
<th>% of total CB loan portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEL and other currency loans*</td>
<td>1,143</td>
<td>40.8%</td>
</tr>
<tr>
<td>USD loans with USD income</td>
<td>1,130</td>
<td>40.4%</td>
</tr>
<tr>
<td>USD loans with non-USD income</td>
<td>526</td>
<td>18.8%</td>
</tr>
<tr>
<td>Total</td>
<td>2,799</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* Includes credit cards

Note: Standalone figures derived from management accounts

Amounts in GEL millions
CB & WM Loan portfolio
% of total CB loan portfolio
GEL and other currency loans* 1,143 40.8%
USD loans with USD income 1,130 40.4%
USD loans with non-USD income 526 18.8%
Total 2,799 100.0%
RESILIENT LOAN PORTFOLIO QUALITY

**Expected credit loss and NIM**

<table>
<thead>
<tr>
<th>Year</th>
<th>Allowance for ECL, GEL mln</th>
<th>Risk Adjusted NIM</th>
<th>Net Interest Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>256</td>
<td>7.4%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2017</td>
<td>279</td>
<td>7.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>2018</td>
<td>288</td>
<td>6.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>1Q19</td>
<td>301</td>
<td>5.8%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

**NPL composition**

<table>
<thead>
<tr>
<th>Year</th>
<th>NPLs RB, GEL mln</th>
<th>NPLs CIB, GEL mln</th>
<th>NPLs Other, GEL mln</th>
<th>NPLs to gross loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>295</td>
<td>38</td>
<td>202</td>
<td>55</td>
</tr>
<tr>
<td>2017</td>
<td>301</td>
<td>49</td>
<td>185</td>
<td>68</td>
</tr>
<tr>
<td>2018</td>
<td>318</td>
<td>318</td>
<td>159</td>
<td>133</td>
</tr>
<tr>
<td>1Q19</td>
<td>326</td>
<td>165</td>
<td>145</td>
<td>16</td>
</tr>
</tbody>
</table>

**Cost of Credit Risk**

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8%</td>
<td>1.1%</td>
<td>1.7%</td>
<td>2.7%</td>
<td>2.2%</td>
<td>1.6%</td>
<td></td>
</tr>
</tbody>
</table>

**Cost of Risk**

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4%</td>
<td>4.1%</td>
<td>4.8%</td>
<td>4.9%</td>
<td>4.1%</td>
<td>3.8%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
**STRONG LIQUIDITY**

### Liquid assets to total liabilities

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>31-Dec-16</th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Mar-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid assets</td>
<td>3,705</td>
<td>4,347</td>
<td>4,540</td>
<td>4,502</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>9,771</td>
<td>11,355</td>
<td>13,000</td>
<td>13,136</td>
</tr>
<tr>
<td>Liquid assets to total liabilities</td>
<td>37.9%</td>
<td>38.3%</td>
<td>34.9%</td>
<td>34.3%</td>
</tr>
</tbody>
</table>

### Net loans to customer funds & DFI

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>31-Dec-16</th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Mar-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loans to customer funds &amp; DFIs</td>
<td>116.1%</td>
<td>109.4%</td>
<td>115.5%</td>
<td>114.0%</td>
</tr>
<tr>
<td>Net loans to customer funds</td>
<td>94.9%</td>
<td>92.4%</td>
<td>99.6%</td>
<td>98.6%</td>
</tr>
</tbody>
</table>

### Liquidity coverage ratio & net stable funding ratio

<table>
<thead>
<tr>
<th>banking/business</th>
<th>31-Dec-16</th>
<th>31-Dec-17</th>
<th>31-Dec-18*</th>
<th>31-Mar-19*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity coverage ratio</td>
<td>151.5%</td>
<td>97.0%</td>
<td>120.1%</td>
<td>133.6%</td>
</tr>
<tr>
<td>Net stable funding ratio</td>
<td>125.5%</td>
<td>100.3%</td>
<td>133.1%</td>
<td>139.6%</td>
</tr>
</tbody>
</table>

### Cumulative maturity gap | 31 March 2019

<table>
<thead>
<tr>
<th>Banking Business</th>
<th>GEL thousands</th>
<th>31-Dec-16</th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Mar-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Demand, Months</td>
<td>8.8%</td>
<td>8.3%</td>
<td>6.7%</td>
<td>(1,569,484)</td>
<td>7.3%</td>
</tr>
<tr>
<td>0-3 Months</td>
<td>1,318,825</td>
<td>1,255,281</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td></td>
</tr>
<tr>
<td>3-6 Months</td>
<td>1,255,281</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td></td>
</tr>
<tr>
<td>6-12 Months</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td></td>
</tr>
<tr>
<td>1-3 Years</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td></td>
</tr>
<tr>
<td>&gt;3 Years</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td>1,092,020</td>
<td></td>
</tr>
</tbody>
</table>

* The ratios at 31 December 2018 and 31 March 2019 are calculated for standalone JSC Bank of Georgia according to the guidelines set by National Bank of Georgia.
STRONG NBG (BASEL III) CAPITAL ADEQUACY POSITION

Capital adequacy requirements introduced by National Bank of Georgia in December 2017

- Transition to Basel III Standards:
  - Systemic capital surcharge: 2.5% of risk weighted assets to be phased-in during the following years as per below schedule:

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Dec-19</th>
<th>31-Dec-20</th>
<th>31-Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemic Buffer</td>
<td>0%</td>
<td>1.0%</td>
<td>1.5%</td>
<td>2.0%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

- Currency induced credit risk (“CICR”) buffer was introduced instead of additional 75% weighting of FX denominated loans. 56% of CICR buffer should be held on CET1 level, 75% on Tier 1 level and 100% on total capital

- General Risk Assessment Program (“GRAPE”) for individual banks: GRAPE buffer is set at 2.2%. GRAPE buffer will be reviewed annually and will be phased-in on different levels of capital according to the below schedule:

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Dec-19</th>
<th>31-Dec-20</th>
<th>31-Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET 1</td>
<td>0%</td>
<td>15%</td>
<td>30%</td>
<td>45%</td>
<td>56%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>Total Capital</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Credit Portfolio Concentration buffer, effective from 1 April 2018 and phased in over the four year period on different levels of capital according to the above schedule

- Net Stress Test buffer effective from 1 January 2020

- In the view of above, Bank of Georgia is subject to the following minimum capital requirements:

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-17</th>
<th>31-Dec-18</th>
<th>31-Mar-19</th>
<th>31-Dec-19 Estimate*</th>
<th>31-Dec-20 Estimate*</th>
<th>Fully Loaded range* from 31-Dec-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET 1</td>
<td>8.1%</td>
<td>9.5%</td>
<td>9.6%</td>
<td>10.4%</td>
<td>11.1%</td>
<td>11.1% - 11.8%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>9.9%</td>
<td>11.6%</td>
<td>11.6%</td>
<td>12.5%</td>
<td>13.3%</td>
<td>13.2% - 14.1%</td>
</tr>
<tr>
<td>Total Capital</td>
<td>12.4%</td>
<td>15.9%</td>
<td>16.1%</td>
<td>16.5%</td>
<td>16.7%</td>
<td>16.0% - 17.1%</td>
</tr>
</tbody>
</table>

* Indicated minimum capital adequacy ratios contain Pillar 1 and Pillar 2 buffer estimates. Range provides our best minimum and maximum estimates of the variable buffers

Transition to Basel III is not expected to affect the Bank’s growth prospects or its ability to maintain dividend distributions within the existing dividend policy payout range

In March 2019, the Bank issued inaugural US$ 100 million Additional Tier 1 capital perpetual subordinated notes. The regulatory approval on the classification as AT1 instruments was received in April 2019, therefore, it has not been reflected in the capital ratios reported as of 31 March 2019. This issuance added approximately 230 basis points to the Bank’s Tier 1 capital ratio. CET1 and Tier 1 capital adequacy ratios are already above the estimated fully-loaded requirements for 2021
## STRONG NBG (BASEL III) CAPITAL ADEQUACY POSITION

### Capital Management

- **Fully-loaded Common Equity Tier 1 (CET1) and Tier 1 minimum requirement already achieved**
  - CET1 ratio stood at **12.7%** compared to **9.6%** minimum requirement at 31 March 2019, and already above the estimated fully-loaded CET1 requirement range of 11.1% to 11.8% for 31 December 2021
  - Tier 1 ratio stood at **12.7%** compared to **11.6%** minimum requirement at 31 March 2019. The issuance of US$ 100 million AT1 notes in March 2019, with classification as AT1 instrument since April 2019, will add **c.230bps** to Tier 1 ratio, therefore, already above the estimated fully-loaded Tier 1 requirement range of 13.2% to 14.1% for 31 December 2021

- **Capital Adequacy**
  - Robust internal capital generation per annum
  - Existing additional capital buffers (within **c.2.2% of RWAs**) reflecting differences in provisioning between NBG methodology and IFRS 9

- **Capital Buffer**
  - We aim to maintain **c.+200bps** for CET1 and Tier 1 capital ratios over minimum regulatory requirements

### BOG Equity vs. Tier 1 Regulatory Capital | 31 Mar 2019

<table>
<thead>
<tr>
<th>% of RWAs</th>
<th>GEL millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.7%</td>
<td>1,454</td>
</tr>
<tr>
<td>1.4%</td>
<td>161</td>
</tr>
<tr>
<td>0.8%</td>
<td>96</td>
</tr>
<tr>
<td>1.5%</td>
<td>168</td>
</tr>
<tr>
<td>3.7%</td>
<td></td>
</tr>
</tbody>
</table>

| BOG Equity (IFRS) | 1,879 |

* Other deductions include revaluation reserve, investments in non-financial subsidiaries and intangible assets
WELL-ESTABLISHED FUNDING STRUCTURE

Interest Bearing Liability structure | 31 March 2019

Banking Business

Interest Bearing Liabilities GEL 12.9bln

- Debt securities issued, GEL 2,045.6 mln, 15.9%
- Borrowings, GEL 1,416.6 mln, 11.0%
- Client deposits & notes, GEL 8,393.9 mln, 65.1%
- Current accounts and demand deposits, 49.3%
- Time deposits, 50.7%

Banking Business

Well diversified international borrowings | 1Q19

- Other debt securities, GEL 414.9 mln, 12.0%
- DFIs, GEL 1,310.0 mln, 37.8%
- Eurobonds, GEL 1,630.5 mln, 47.1%
- Others borrowings, GEL 106.6 mln, 3.1%

Banking Business

Borrowed funds maturity breakdown*

Banking Business

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior Loans</th>
<th>Subordinated Loans</th>
<th>Eurobonds</th>
<th>% of Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>44</td>
<td>69</td>
<td>90</td>
<td>0.8%</td>
</tr>
<tr>
<td>2020</td>
<td>186</td>
<td>33</td>
<td>84</td>
<td>1.6%</td>
</tr>
<tr>
<td>2021</td>
<td>255</td>
<td>65</td>
<td>94</td>
<td>6.7%</td>
</tr>
<tr>
<td>2022</td>
<td>33</td>
<td>4</td>
<td>4</td>
<td>0.1%</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td>0.0%</td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Banking Business has a well-balanced funding structure with 65.1% of interest bearing liabilities coming from client deposits and notes, 10.2% from Developmental Financial Institutions (DFIs) and 12.6% from Eurobonds and notes issued, as of 31 March 2019.
- The Bank has also been able to secure favorable financing from reputable international commercial sources, as well as DFIs, such as EBRD, IFC, EFSE, BSTDB, FMO, DEG, etc.
- As of 31 March 2019, GEL 150 million undrawn facilities from DFIs with up to eight years maturity.
- In July 2016, BGE0 Group issued 7 year, US$ 350mln Eurobonds with 6.00% coupon (bonds were pushed down to BOG in March 2018). Bonds were trading at 5.488% on 10 May 2019.
- In June 2017, BOG issued 3 year, GEL 500mln local currency international bonds with 11.00% coupon. Bonds were trading at 10.471% on 10 May 2019.
- In March 2019, BOG issued US$ 100mln 11.125% Additional Tier 1 capital perpetual subordinated notes callable after 5.25 years and on every subsequent interest payment date, subject to prior consent of the NBG. Notes were trading at 10.689% on 10 May 2019.

* converted at GEL/US$ exchange rate of 2.6914 as of 31 March 2019
** source: Bloomberg
## RETAIL BANKING HIGHLIGHTS

Data as at 31 March 2019 for JSC Bank of Georgia standalone

<table>
<thead>
<tr>
<th>Segments</th>
<th>Emerging Retail</th>
<th>Mass Retail</th>
<th>Mass Affluent</th>
<th>MSME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients</td>
<td>538 k</td>
<td>1,662 k</td>
<td>47 k</td>
<td>208 k</td>
</tr>
<tr>
<td>Loans</td>
<td>GEL 300 mln</td>
<td>GEL 2,068 mln</td>
<td>GEL 1,870 mln</td>
<td>GEL 2,281 mln</td>
</tr>
<tr>
<td>Deposits</td>
<td>GEL 231 mln</td>
<td>GEL 1,860 mln</td>
<td>GEL 1,747 mln</td>
<td>GEL 682 mln</td>
</tr>
<tr>
<td>1Q19 Profit*</td>
<td>GEL 4 mln</td>
<td>GEL 29 mln</td>
<td>GEL 19 mln</td>
<td>GEL 17 mln</td>
</tr>
<tr>
<td>Profit per client*</td>
<td>GEL 28</td>
<td>GEL 71</td>
<td>GEL 1,625</td>
<td>GEL 346</td>
</tr>
<tr>
<td>P/C ratio</td>
<td>3.3</td>
<td>1.7</td>
<td>5.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Branches</td>
<td>166</td>
<td>93</td>
<td>12</td>
<td>n/a</td>
</tr>
</tbody>
</table>

* 1Q19 profit adjusted for GEL 10.2 mln one-off employee costs (net of income tax) related to former CEO and executive management termination benefits
RETAIL BANKING HIGHLIGHTS

Income Statement Highlights*

<table>
<thead>
<tr>
<th></th>
<th>1Q19</th>
<th>1Q18</th>
<th>Change y-o-y</th>
<th>4Q18</th>
<th>Change q-o-q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>130,987</td>
<td>135,454</td>
<td>-3.3%</td>
<td>136,895</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>32,435</td>
<td>26,141</td>
<td>24.1%</td>
<td>32,915</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Net foreign currency gain</td>
<td>13,240</td>
<td>4,349</td>
<td>NMF</td>
<td>24,047</td>
<td>-44.9%</td>
</tr>
<tr>
<td>Other income / (expense)</td>
<td>2,168</td>
<td>3,102</td>
<td>-30.1%</td>
<td>(5,421)</td>
<td>NMF</td>
</tr>
<tr>
<td>Operating income</td>
<td>178,830</td>
<td>169,046</td>
<td>5.8%</td>
<td>188,436</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Salaries and other employee benefits</td>
<td>(33,874)</td>
<td>(32,112)</td>
<td>5.5%</td>
<td>(37,052)</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(15,796)</td>
<td>(19,551)</td>
<td>-19.2%</td>
<td>(21,620)</td>
<td>-26.9%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(13,287)</td>
<td>(9,902)</td>
<td>34.2%</td>
<td>(9,857)</td>
<td>34.8%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(536)</td>
<td>(503)</td>
<td>6.6%</td>
<td>(638)</td>
<td>-16.0%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(63,493)</td>
<td>(62,058)</td>
<td>2.3%</td>
<td>(69,167)</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>318</td>
<td>318</td>
<td>-40.9%</td>
<td>318</td>
<td>-40.9%</td>
</tr>
<tr>
<td>Operating profit before cost of risk</td>
<td>115,525</td>
<td>107,306</td>
<td>7.7%</td>
<td>119,587</td>
<td>-3.4%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>(39,386)</td>
<td>(28,453)</td>
<td>38.4%</td>
<td>(37,488)</td>
<td>5.1%</td>
</tr>
<tr>
<td>Net operating profit before non-recurring items and income tax</td>
<td>76,139</td>
<td>78,853</td>
<td>-3.4%</td>
<td>82,099</td>
<td>7.3%</td>
</tr>
<tr>
<td>Net non-recurring items</td>
<td>(276)</td>
<td>(1976)</td>
<td>-88.0%</td>
<td>(778)</td>
<td>-64.5%</td>
</tr>
<tr>
<td>Profit before income tax and one-off termination costs</td>
<td>75,863</td>
<td>76,877</td>
<td>-1.3%</td>
<td>81,321</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(6,101)</td>
<td>(6,060)</td>
<td>0.7%</td>
<td>(6,155)</td>
<td>0.9%</td>
</tr>
<tr>
<td>Profit adjusted for one off termination costs</td>
<td>69,762</td>
<td>70,817</td>
<td>-1.5%</td>
<td>75,166</td>
<td>7.2%</td>
</tr>
<tr>
<td>One-off termination costs (after tax)</td>
<td>(7,075)</td>
<td>-</td>
<td>NMF</td>
<td>(2,999)</td>
<td>140.7%</td>
</tr>
<tr>
<td>Profit</td>
<td>62,687</td>
<td>70,817</td>
<td>-11.5%</td>
<td>72,227</td>
<td>-13.2%</td>
</tr>
</tbody>
</table>

Market Position**

Market Share by Loans

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td>34.9%</td>
<td>35.5%</td>
<td>37.5%</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

Market Share by Deposits

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td>33.0%</td>
<td>34.6%</td>
<td>36.9%</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

Loan Yield

- Net loans, RB, FC
- Net loans, RB, GEL
- Currency-blended loan yield, RB

Deposit Cost

- Client deposits, RB, FC
- Client deposits, RB, GEL
- Currency-blended cost of client deposits, RB

* The income statement adjusted profit excludes GEL 7.1mln in 1Q19 (4Q18: GEL 2.9mln) one-off employee costs (net of income tax) related to former CEO and executive management termination benefits. The amount is comprised of GEL 2.9mln (gross of income tax) excluded from non-recurring items (4Q18: GEL 3.3mln) and GEL 5.2mln (gross of income tax) excluded from salaries and other employee benefits

** Market shares by Loans and Deposits to Individuals
RETAIL BANKING LOAN YIELD, COST OF DEPOSITS & NIM

**RB Loan Yield I quarterly**

- Loan Yield: 15.8%, 22.4%, 8.4%
- Loan yield, GEL: 14.2%, 20.7%, 7.4%
- Loan yield, FC: 13.6%, 19.3%, 7.7%

**RB Cost of Deposit I quarterly**

- Cost of deposits: 2.8%, 4.8%, 2.1%
- Cost of deposits, GEL: 2.9%, 5.0%, 2.1%
- Cost of deposits, FC: 3.0%, 5.2%, 2.1%

**RB NIM I quarterly**

- 1Q18: 8.2%
- 4Q18: 6.7%
- 1Q19: 6.4%

**RB Loan Yield I full-year**

- Loan Yield: 16.1%, 23.6%, 9.1%
- Loan yield, GEL: 15.1%, 21.5%, 7.9%
- Loan yield, FC: 14.2%, 20.7%, 7.7%

**RB Cost of Deposit I full-year**

- Cost of deposits: 2.9%, 4.5%, 2.3%
- Cost of deposits, GEL: 2.9%, 4.9%, 2.0%
- Cost of deposits, FC: 3.0%, 5.2%, 2.1%

**RB NIM I full-year**

- 2017: 8.5%
- 2018: 7.5%
RETAIL BANKING - LEADING RETAIL BANK IN GEORGIA

RB Client Data

<table>
<thead>
<tr>
<th>Operating Data, GEL mln</th>
<th>1Q19</th>
<th>% of clients</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of total Retail clients, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Solo clients</td>
<td>47,057</td>
<td>1.9%</td>
<td>44,292</td>
<td>32,104</td>
<td>19,267</td>
</tr>
<tr>
<td>Consumer loans &amp; other outstanding, volume</td>
<td>1,546</td>
<td>1.6%</td>
<td>1,555</td>
<td>1,480</td>
<td>1,104</td>
</tr>
<tr>
<td>Consumer loans &amp; other outstanding, number</td>
<td>525,709</td>
<td>21.4%</td>
<td>566,740</td>
<td>738,694</td>
<td>647,441</td>
</tr>
<tr>
<td>Mortgage loans outstanding, volume</td>
<td>2,579</td>
<td>1.6%</td>
<td>2,539</td>
<td>1,706</td>
<td>1,228</td>
</tr>
<tr>
<td>Mortgage loans outstanding, number</td>
<td>39,699</td>
<td>1.6%</td>
<td>39,007</td>
<td>26,643</td>
<td>16,300</td>
</tr>
<tr>
<td>Micro &amp; SME loans outstanding, volume</td>
<td>2,107</td>
<td>1.6%</td>
<td>2,005</td>
<td>1,637</td>
<td>1,346</td>
</tr>
<tr>
<td>Micro &amp; SME loans outstanding, number</td>
<td>77,833</td>
<td>3.2%</td>
<td>68,832</td>
<td>53,732</td>
<td>36,379</td>
</tr>
<tr>
<td>Credit cards and overdrafts outstanding, volume</td>
<td>289</td>
<td>1.6%</td>
<td>290</td>
<td>308</td>
<td>291</td>
</tr>
<tr>
<td>Credit cards and overdrafts outstanding, number</td>
<td>455,158</td>
<td>18.5%</td>
<td>454,512</td>
<td>480,105</td>
<td>442,487</td>
</tr>
<tr>
<td>Credit cards outstanding, number, of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Express cards</td>
<td>103,275</td>
<td>4.2%</td>
<td>105,899</td>
<td>97,178</td>
<td>79,567</td>
</tr>
</tbody>
</table>

RB Loans

<table>
<thead>
<tr>
<th>GEL millions</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>RB Loans</td>
<td>3,902</td>
<td>5,044</td>
<td>6,267</td>
<td>6,390</td>
</tr>
</tbody>
</table>

+2.0%

RB Deposits

<table>
<thead>
<tr>
<th>GEL millions</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>RB Deposits</td>
<td>2,414</td>
<td>3,267</td>
<td>4,339</td>
<td>4,521</td>
</tr>
</tbody>
</table>

+4.2%

RB Portfolio | 31 Mar 2019

Net Loans by products
Total: GEL 6.4bln

- Mortgage loans 40.2%
- Micro- and agro-financing loans and SME loans 32.4%
- General consumer loans 20.7%
- Other 2.6%

Deposits by currency
Total: GEL 4.5bln

- Client Deposits, GEL 31%
- Client Deposits, FC 69%
- Time deposits 57%
- Current accounts and on demand deposits 43%
Balance Sheet | 31 March 2019

JSC Bank of Georgia Standalone

- Total Gross Loans
  - GEL 6,520mln
  - 4% Mass Retail (GEL 2,068mln)
  - 29% MSME (GEL 2,281mln)
  - 32% Solo (GEL 1,870mln)
  - 35% Express Bank (GEL 300mln)

Income Statement | 1Q19

JSC Bank of Georgia Standalone

- Net Interest Income
  - GEL 131mln
  - 40% Mass Retail (GEL 52mln)
  - 18% MSME (GEL 35mln)
  - 26% Solo (GEL 23mln)
  - 16% Express Bank (GEL 21mln)

- Net Fee & Commission Income
  - GEL 27mln
  - 37% Mass Retail (GEL 10mln)
  - 23% MSME (GEL 6mln)
  - 21% Solo (GEL 6mln)
  - 19% Express Bank (GEL 5mln)
RETAIL BANKING – DIGITAL PENETRATION

Digital Channel Statistics

Internet Bank Transactions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Volume of transactions, GEL millions</th>
<th># of transactions, millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>427</td>
<td>1.5</td>
</tr>
<tr>
<td>2Q18</td>
<td>452</td>
<td>1.4</td>
</tr>
<tr>
<td>3Q18</td>
<td>530</td>
<td>1.4</td>
</tr>
<tr>
<td>4Q18</td>
<td>620</td>
<td>1.5</td>
</tr>
<tr>
<td>1Q19</td>
<td>490</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Mobile Bank Transactions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Volume of transactions, GEL millions</th>
<th># of transactions, millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>2Q18</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>3Q18</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td>6.7</td>
<td></td>
</tr>
</tbody>
</table>

Number of Active Users | ‘000

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Internet Bank</th>
<th>Mobile Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>239</td>
<td>207</td>
</tr>
<tr>
<td>4Q18</td>
<td>295</td>
<td>278</td>
</tr>
<tr>
<td>1Q19</td>
<td>334</td>
<td>382</td>
</tr>
</tbody>
</table>

Digital vs. Non-digital Transactions

<table>
<thead>
<tr>
<th>Quarter</th>
<th># of transactions in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>10.5</td>
</tr>
<tr>
<td>2Q18</td>
<td>11.5</td>
</tr>
<tr>
<td>3Q18</td>
<td>12.2</td>
</tr>
<tr>
<td>4Q18</td>
<td>14.2</td>
</tr>
<tr>
<td>1Q19</td>
<td>14.8</td>
</tr>
</tbody>
</table>

Through digital channels

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Through digital channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>2.7</td>
</tr>
<tr>
<td>2Q18</td>
<td>3.6</td>
</tr>
<tr>
<td>3Q18</td>
<td>3.4</td>
</tr>
<tr>
<td>4Q18</td>
<td>3.7</td>
</tr>
<tr>
<td>1Q19</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Through tellers

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Through tellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td></td>
</tr>
<tr>
<td>2Q18</td>
<td></td>
</tr>
<tr>
<td>3Q18</td>
<td></td>
</tr>
<tr>
<td>4Q18</td>
<td></td>
</tr>
<tr>
<td>1Q19</td>
<td></td>
</tr>
</tbody>
</table>

mBank Downloads

765,177 mBank downloads since May 2017

2018 DIGITAL BANK OF DISTINCTION

mBank Downloads

169,636 mBank downloads in 1Q19

iPhone, 212,183
Android, 552,994

Global Finance

RETAIL BANKING – DIGITAL PENETRATION

mBank Downloads

765,177 mBank downloads since May 2017

2018 DIGITAL BANK OF DISTINCTION

mBank Downloads

169,636 mBank downloads in 1Q19

iPhone, 212,183
Android, 552,994

Global Finance
## CORPORATE INVESTMENT BANKING HIGHLIGHTS

### Income Statement Highlights*

<table>
<thead>
<tr>
<th>GEL thousands unless otherwise noted</th>
<th>1Q19</th>
<th>1Q18</th>
<th>Change</th>
<th>4Q18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>45,679</td>
<td>38,232</td>
<td>19.5%</td>
<td>43,696</td>
<td>4.3%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>8,151</td>
<td>6,198</td>
<td>31.5%</td>
<td>6,939</td>
<td>17.5%</td>
</tr>
<tr>
<td>Net foreign currency gain</td>
<td>13,104</td>
<td>6,644</td>
<td>97.2%</td>
<td>23,994</td>
<td>45.4%</td>
</tr>
<tr>
<td>Net other income / (expense)</td>
<td>1,386</td>
<td>2,797</td>
<td>-50.4%</td>
<td>(3,451)</td>
<td>NMF</td>
</tr>
<tr>
<td>Operating income</td>
<td>68,320</td>
<td>53,871</td>
<td>26.8%</td>
<td>71,168</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Salaries and other employee benefits</td>
<td>(12,439)</td>
<td>(12,595)</td>
<td>-1.2%</td>
<td>(14,645)</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(4,027)</td>
<td>(3,459)</td>
<td>16.4%</td>
<td>(4,901)</td>
<td>-18.2%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(1,701)</td>
<td>(1,309)</td>
<td>29.9%</td>
<td>(1,122)</td>
<td>51.6%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(203)</td>
<td>(143)</td>
<td>42.0%</td>
<td>(347)</td>
<td>-41.5%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(18,370)</td>
<td>(17,506)</td>
<td>4.9%</td>
<td>(21,035)</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Operating profit before cost of risk</td>
<td>49,950</td>
<td>36,365</td>
<td>37.4%</td>
<td>50,133</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Net operating profit before non-recurring items and income tax</td>
<td>(1,824)</td>
<td>(6,643)</td>
<td>-60.7%</td>
<td>(3,407)</td>
<td>-46.5%</td>
</tr>
<tr>
<td>Net non-recurring items</td>
<td>(72)</td>
<td>(272)</td>
<td>-72.5%</td>
<td>(619)</td>
<td>-88.4%</td>
</tr>
<tr>
<td>Profit before income tax and one-off termination costs</td>
<td>48,084</td>
<td>31,450</td>
<td>52.8%</td>
<td>46,107</td>
<td>4.2%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(3,165)</td>
<td>(2,444)</td>
<td>28.1%</td>
<td>(3,571)</td>
<td>9.2%</td>
</tr>
<tr>
<td>Profit adjusted for one-off termination costs</td>
<td>44,190</td>
<td>29,006</td>
<td>52.3%</td>
<td>42,536</td>
<td>3.9%</td>
</tr>
<tr>
<td>One-off termination costs (after tax)</td>
<td>(3,165)</td>
<td>-</td>
<td>NMF</td>
<td>(922)</td>
<td>NMF</td>
</tr>
<tr>
<td>Profit</td>
<td>41,025</td>
<td>29,006</td>
<td>41.4%</td>
<td>41,614</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

### Loan Yield

- **Net loans, CIB, FC**
- **Net loans, CIB, GEL**
- **Currency-blended loan yield, CIB**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net loans, CIB, FC</th>
<th>Net loans, CIB, GEL</th>
<th>Currency-blended loan yield, CIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>10.4%</td>
<td>83.3%</td>
<td>16.7%</td>
</tr>
<tr>
<td>2017</td>
<td>10.7%</td>
<td>83.1%</td>
<td>16.9%</td>
</tr>
<tr>
<td>2018</td>
<td>10.2%</td>
<td>82.3%</td>
<td>17.7%</td>
</tr>
<tr>
<td>1Q19</td>
<td>9.1%</td>
<td>83.0%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

### Deposit Cost

- **Client deposits, CIB, FC**
- **Client deposits, CIB, GEL**
- **Currency-blended cost of client deposits, CIB**

<table>
<thead>
<tr>
<th>Year</th>
<th>Client deposits, CIB, FC</th>
<th>Client deposits, CIB, GEL</th>
<th>Currency-blended cost of client deposits, CIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.9%</td>
<td>74.8%</td>
<td>25.2%</td>
</tr>
<tr>
<td>2017</td>
<td>4.0%</td>
<td>63.1%</td>
<td>36.9%</td>
</tr>
<tr>
<td>2018</td>
<td>4.1%</td>
<td>61.2%</td>
<td>38.8%</td>
</tr>
<tr>
<td>1Q19</td>
<td>3.6%</td>
<td>60.2%</td>
<td>39.8%</td>
</tr>
</tbody>
</table>

### Market Position**

- **Market Share by Loans**
- **Market Share by Deposits**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Share by Loans</strong></td>
<td><strong>30.5%</strong></td>
<td><strong>28.9%</strong></td>
<td><strong>28.8%</strong></td>
<td><strong>28.7%</strong></td>
</tr>
<tr>
<td><strong>Market Share by Deposits</strong></td>
<td><strong>31.2%</strong></td>
<td><strong>33.1%</strong></td>
<td><strong>30.3%</strong></td>
<td><strong>30.3%</strong></td>
</tr>
</tbody>
</table>

*The income statement adjusted profit excludes GEL 3.2mln in 1Q19 (4Q18: GEL 0.9mln) one-off employee costs (net of income tax) related to former CEO and executive management termination benefits. The amount is comprised of GEL 1.1mln (gross of income tax) excluded from non-recurring items (4Q18: GEL 1.1mln) and GEL 2.7mln (gross of income tax) excluded from salaries and other employee benefits.

**Market share by Loans and Deposits to Legal entities**

---

**Corporation:**

BANK OF GEORGIA
### Highlights
- **Leading corporate bank in Georgia**
- Integrated client coverage in key sectors
- c.2,550 corporate clients served by dedicated relationship bankers

### Loans & Deposits

<table>
<thead>
<tr>
<th>Year</th>
<th>GEL millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,395</td>
</tr>
<tr>
<td>2017</td>
<td>2,260</td>
</tr>
<tr>
<td>2018</td>
<td>2,618</td>
</tr>
<tr>
<td>1Q19</td>
<td>2,653</td>
</tr>
</tbody>
</table>

- **Net loans, CIB**
- **Client deposits, CIB**

### Portfolio breakdown | 31 March 2019

- **Loans by sectors**
  - Manufacturing: 32.8%
  - Trade: 16.7%
  - Real estate: 10.0%
  - Service: 4.1%
  - Hospitality: 3.1%
  - Transport & Communication: 1.9%
  - Electricity, gas and water supply: 2.8%
  - Construction: 11.4%
  - Financial intermediation: 1.3%
  - Mining and quarrying: 4.1%
  - Health and social work: 3.0%
  - Other: 8.8%

- **Top 10 CIB borrowers** represent 32.2% of total CIB loan book
- **Top 20 CIB borrowers** represent 45.5% of total CIB loan book

### Deposits by category
- **Current accounts and demand deposits**: 62.5%
- **Time deposits**: 37.5%

### Deposits by currency
- Client deposits, GEL: 39.8%
- Client deposits, FC: 60.2%
## CIB Loan Yield, Cost of Deposits & NIM

### CIB Loan Yield I quarterly

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Loan Yield</th>
<th>Loan yield, GEL</th>
<th>Loan yield, FC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>9.9%</td>
<td>12.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>4Q18</td>
<td>9.8%</td>
<td>12.8%</td>
<td>9.2%</td>
</tr>
<tr>
<td>1Q19</td>
<td>9.1%</td>
<td>11.5%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

### CIB Loan Yield I full-year

<table>
<thead>
<tr>
<th>Year</th>
<th>Loan Yield</th>
<th>Loan yield, GEL</th>
<th>Loan yield, FC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>10.7%</td>
<td>12.8%</td>
<td>10.3%</td>
</tr>
<tr>
<td>2018</td>
<td>10.2%</td>
<td>13.1%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

### CIB Cost of Deposit I quarterly

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cost of deposits</th>
<th>Cost of deposits, GEL</th>
<th>Cost of deposits, FC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>3.9%</td>
<td>6.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>4Q18</td>
<td>4.0%</td>
<td>6.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>1Q19</td>
<td>3.6%</td>
<td>5.9%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

### CIB Cost of Deposit I full-year

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of deposits</th>
<th>Cost of deposits, GEL</th>
<th>Cost of deposits, FC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4.0%</td>
<td>6.6%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2018</td>
<td>4.1%</td>
<td>6.4%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

### CIB NIM I quarterly

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q18</td>
<td>3.2%</td>
</tr>
<tr>
<td>4Q18</td>
<td>3.2%</td>
</tr>
<tr>
<td>1Q19</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

### CIB NIM I full-year

<table>
<thead>
<tr>
<th>Year</th>
<th>NIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.4%</td>
</tr>
<tr>
<td>2018</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
During 1Q19 Galt & Taggart acted as:

- lead manager of JSC Microfinance Organisation Crystal’s GEL 15mln local public bond issuance due in 2021, in February 2019
- co-manager of Bank of Georgia’s inaugural US$ 100mln international Additional Tier 1 bond issuance, in March 2019
- lead manager of JSC Microfinance Organisation Swiss Capital’s GEL 10mln local public bond issuance due in 2021, in March 2019
- lead manager for European Bank for Reconstruction and Development (EBRD), facilitating GEL 90mln local private bond issuance due in 2023, in March 2019
- lead manager for Nederlandse Financierings - Maatschappij Voor Ontwikkelingslanden N.V. (FMO), facilitating GEL 26mln local private bond issuance due in 2024, in March 2019

Team with sector expertise and international M&A experience
Proven track record of more than 30 completed transactions over the past 8 years
CONTENTS

- Group Overview 4
- Results Discussion 8
- Georgian Macro Overview 31
- Appendices 52
GEORGIA AT A GLANCE

General Facts

- Area: 69,700 sq km
- Population (2018): 3.7 mln
- Life expectancy: 74 years
- Official language: Georgian
- Literacy: 100%
- Capital: Tbilisi
- Currency (code): Lari (GEL)

Economy

- Nominal GDP (Geostat) 2018: GEL 41.1 bln (US$16.2 bln)
- Real GDP growth rate 2014-2018: 4.6%, 2.9%, 2.8%, 4.8%, 4.7%
- Real GDP 2010-2018 annual average growth rate: 4.8%
- GDP per capita 2018 (PPP) per IMF: US$ 11,485
- Annual inflation (e-o-p) 2018: 1.5%
- External public debt to GDP 2018: 35.4%

Sovereign Credit Ratings

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
<th>Outlook</th>
<th>Affirmed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>Ba2</td>
<td>Stable</td>
<td>September 2018</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>BB</td>
<td>Stable</td>
<td>February 2019</td>
</tr>
<tr>
<td>S&amp;P Global</td>
<td>BB-</td>
<td>Positive</td>
<td>April 2019</td>
</tr>
</tbody>
</table>
### GEORGIA’S KEY ECONOMIC DRIVERS

| Liberal economic policy | Top performer globally in WB Doing Business over the past 12 years  
|-------------------------|---------------------------------------------------------------  
|                         | ▪ Liberty Act ensures a credible fiscal and monetary framework:  
|                         | ▪ Fiscal deficit/GDP capped at 3%; Government debt/GDP capped at 60%  
|                         | ▪ Business friendly environment and low tax regime (attested by favourable international rankings) |
| Regional logistics and tourism hub | A natural transport and logistics hub, connecting land-locked energy rich countries in the east and European markets in the west  
|                         | ▪ Access to a market of 2.8bn customers without customs duties: Free trade agreements with EU, China, CIS, Turkey, Hong Kong and with EFTA countries. The GSP with USA, Canada and Japan  
|                         | ▪ Tourism revenues on the rise: tourism inflows stood at 19.9% of GDP in 2018 and total arrivals reached 8.7mln visitors in 2018 (up 9.8% y-o-y), out of which tourist arrivals were up 16.9% y-o-y to 4.8mln visitors.  
|                         | ▪ Regional energy transit corridor accounting for 1.6% of the world’s oil and gas transit volumes |
| Strong FDI | An influx of foreign investors on the back of the economic reforms have boosted productivity and accelerated growth  
|                         | ▪ FDI stood at US$ 1.2bln (7.6% of GDP) in 2018  
|                         | ▪ FDI averaged 8.8% of GDP in 2009-2018 |
| Support from international community | Georgia and the EU signed an Association Agreement and DCFTA in June 2014  
|                         | ▪ Visa-free travel to the EU is another major success in Georgian foreign policy. Georgian passport holders were granted free entrance to the EU countries from 28 March 2017  
|                         | ▪ Discussions commenced with the USA to drive inward investments and exports  
|                         | ▪ Strong political support from NATO, EU, US, UN and member of WTO since 2000; Substantial support from DFIs, the US and EU |
| Electricity transit hub potential | Developed, stable and competitively priced energy sector  
|                         | ▪ Only 25% of hydropower capacity utilized; 150 renewable (HPPs/WPPs/SPPs) energy power plants are in various stages of construction or development  
|                         | ▪ Georgia imports natural gas mainly from Azerbaijan  
|                         | ▪ Significantly boosted transmission capacity with 400 kV line to Turkey and 500 kV line to Azerbaijan built, other transmission lines to Armenia and Russia upgraded  
|                         | ▪ Additional 2,000 MW transmission capacity development in the pipeline, facilitating cross-border electricity trade and energy swaps to Eastern Europe |
| Political environment stabilised | ▪ Georgia underscored its commitment to European values by securing a democratic transfer of political power in successive parliamentary, presidential, and local elections and by signing an Association Agreement and free trade agreement with the EU  
|                         | ▪ Constitution amendments passed in 2013 to enhance governing responsibility of Parliament and reduce the powers of the Presidency  
|                         | ▪ Continued economic relationship with Russia, although economic dependence is relatively low  
|                         | ▪ Russia began issuing visas to Georgians in March 2009; Georgia abolished visa requirements for Russians -The Russian side announced to ease visa procedures for Georgians citizens effective December 23, 2015  
|                         | ▪ Direct flights between the two countries resumed in January 2010  
|                         | ▪ Member of WTO since 2000, allowed Russia’s access to WTO; In 2013 trade restored with Russia  
|                         | ▪ In 2018, Russia accounted for 13.0% of Georgia’s exports and 10.3% of imports; just 3.7% of cumulative FDI over 2003-18 |
**Ease of Doing Business | 2019**

New Zealand | 1
Singapore | 2
Denmark | 3
Georgia | 6
Norway | 7
USA | 8
UK | 9
Lithuania | 14
Estonia | 16
Latvia | 19
Germany | 24
Azerbaijan | 25
Kazakhstan | 28
Russia | 31
Poland | 33
Czech Rep. | 35
Armenia | 41
Turkey | 43
Ukraine | 71

Source: WB-IFC Doing Business Report

**Economic Freedom Index | 2019**

UK | 7
USA | 12
Estonia | 15
Georgia | 16
Lithuania | 21
Czech rep. | 23
Latvia | 35
Bulgaria | 37
Romania | 42
Poland | 47
Armenia | 59
Kazakhstan | 60
Azerbaijan | 68
Hungary | 71
Tukey | 80
France | 98
Italy | 147
Russia |
Slovakia |
Czech Rep. |
Poland |
Ukraine |

Source: Heritage Foundation

**Global Corruption Barometer | 2017**

Germany | 3%
Georgia | 7%
Poland | 9%
Czech Rep. | 12%
Slovakia |
Latvia | 15%
Montenegro | 16%
Bulgaria | 17%
Turkey | 18%
Lithuania | 24%
Armenia | 24%
Bosnia & Herz. | 26%
Romania | 27%
Kazakhstan | 29%
Russia | 29%
Ukraine | 34%
Azerbaijan | 38%
Moldova | 38%

Source: Transparency International

**Business Bribery Risk | 2018**

Sweden | 2
Norway | 3
UK | 7
Singapore | 12
Estonia | 15
USA | 18
France | 21
Lithuania | 23
Georgia | 27
Czech rep. | 32
Poland | 36
Latvia | 39
Armenia | 77
Bulgaria | 79
Azerbaijan | 95
Ukraine | 105
Russia | 108
Kazakhstan | 127
Turkey | 130
Uzbekistan | 177

Source: Trace International

**Top 8 in Europe region out of 44 countries**

% admitting having paid a bribe last year

Georgia is on a par with EU member states

**Source:**
- GROWTH ORIENTED REFORMS
- Ease of Doing Business | 2019
- Economic Freedom Index | 2019
- Global Corruption Barometer | 2017
- Business Bribery Risk | 2018

**Source:**
- WB-IFC Doing Business Report
- Heritage Foundation
- Transparency International
- Trace International
## GOVERNMENT’S ONGOING REFORMS

### Structural Reforms
- **Tax Reform**
  - Corporate income tax reform
  - Enhancing easiness of tax compliance
- **Capital Market Reform**
  - Boosting stock exchange activities
  - Developing of local bond market
- **Pension Reform**
  - Introduction of private pension system
- **PPP Reform**
  - Introduction of transparent and efficient PPP framework
- **Public Investment Management Framework**
  - Improved efficiency of state projects
- **Deposit Insurance**
  - Boosting private savings
  - Enhancing trust to financial system
- **Accounting Reform**
  - Increased transparency and financial accountability
  - Enhanced protection of shareholder rights
- **Association Agreement Agenda**

### Promoting Transit & Tourism Hub
- **Roads**
  - Plan to finish all spinal projects by 2020 – East-West Highway, other supporting infrastructure
- **Rail**
  - Baku – Tbilisi Kars new railroad line
  - Railway modernization project
- **Air**
  - Tbilisi International Airport
    - 2nd runway to be constructed
    - International Cargo terminal
- **Maritime**
  - Anaklia deep water Black Sea port
    - Strategic location
    - Capable of accommodating Panamax type cargo vessels
    - High capacity – up to 100mln tons turnover annually
    - Up to USD 1bln for first phase (out of 9) in Georgia

### Promoting Open Governance
- **Improvement of public services offered to the private sector**
- Creation of “Front Office”
- Application of “Single Window Principle”
- **Involvement of the private sector in legislative process**
  - Discussion of draft legislation at an early stage
- **Strict monitoring of implementation of government decisions**
  - Creation of a special unit for monitoring purposes

### Education Reform
- **General Education Reform**
  - Maximizing quality of teaching in secondary schools
- **Fundamental Reform of Higher Education**
  - Based on the comprehensive research of the labor market needs
- **Improvement of Vocational Education**
  - Increase involvement of the private sector in the professional education
DIVERSIFIED RESILIENT ECONOMY

Gross domestic product

Growth was 4.7% in 1Q19

Source: Geostat

GDP per capita

Source: IMF, Geostat

Comparative real GDP growth rates, % (2010-2018 average)

Source: IMF, Geostat

Diversified nominal GDP structure, 2018

Source: Geostat
PRODUCTIVITY AND CAPITAL HAVE BEEN THE MAIN ENGINE OF GROWTH SINCE 2004

Overall contribution of capital, labor, and Total Factor Productivity (TFP) to growth, 2010-2018

- TFP growth: 1.6%
- Capital stock: 2.6%
- Labor force: 0.5%

Contributions of capital, labor, and TFP to growth during periods

- 2004-07
- 2008-09
- 2010-13
- 2014-18

Real GDP growth projection, 2019

Source: IMF

Real GDP growth: Georgia, CIS, Eastern EU

Source: IMF, Geostat
FURTHER JOB CREATION IS ACHIEVABLE

Unemployment rate down 1.3 ppts y/y to 12.7% in 2018

Source: Geostat

Average monthly wages and income per household

Source: Geostat

Share of services in total employment on the rise

Source: Geostat

Hired workers accounted for 48.3% in total employment in 2017

Source: Geostat
LOW PUBLIC DEBT

Fiscal deficit

Source: Ministry of Finance of Georgia

Note: Deficit calculated as net lending / borrowing minus budget lending

Breakdown of public debt

Source: Ministry of Finance of Georgia, as of Dec-2018

External public debt portfolio weighted average interest rate 2.2%
Contractual maturity 22 years

Public debt as % of GDP

Source: MOF, Geostat

Public debt/GDP capped at 60%

Gross government debt/GDP, 2018E

Source: IMF, MOF, Geostat

Total public debt to GDP, %
External public debt to GDP, %
INVESTING IN INFRASTRUCTURE AND SPENDING LOW ON SOCIAL

Budget expenditures

Expenditure breakdown: current vs. capital

Government social expenditure as % of GDP

Government capital expenditure as % of GDP

Source: Ministry of Finance, Geostat

Source: Ministry of Finance

Source: IMF
### Diversified Sources of Capital

**Strong Foreign Investor Interest**
- Source: Geostat

**Tourist Arrivals and Revenues on the Rise**
- Source: NBG, Geostat

**Remittances - Steady Source of External Funding**
- Source: NBG, Geostat

**Public External Borrowing for Capex, % of GDP**
- Source: MOF, Geostat
CURRENT ACCOUNT DEFICIT SUPPORTED BY FDI

Current account balance (% of nominal GDP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Goods, net</th>
<th>Services, net</th>
<th>Income, net</th>
<th>Transfers, net</th>
<th>CA deficit</th>
<th>net FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>8.3%</td>
<td>-9.7%</td>
<td>15.3%</td>
<td>16.5%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>9.4%</td>
<td>-7.0%</td>
<td>16.1%</td>
<td>16.8%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>8.5%</td>
<td>-11.1%</td>
<td>15.3%</td>
<td>16.5%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>15.3%</td>
<td>-19.8%</td>
<td>16.5%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>16.5%</td>
<td>-22.0%</td>
<td>16.5%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>11.1%</td>
<td>-10.6%</td>
<td>6.3%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>6.3%</td>
<td>-10.3%</td>
<td>4.6%</td>
<td>16.5%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>6.1%</td>
<td>-12.8%</td>
<td>5.6%</td>
<td>16.5%</td>
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<td></td>
</tr>
<tr>
<td>2011</td>
<td>6.8%</td>
<td>-11.9%</td>
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<td>16.5%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.6%</td>
<td>-10.8%</td>
<td>9.6%</td>
<td>16.5%</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
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<td>-12.6%</td>
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<td>-13.1%</td>
<td>5.5%</td>
<td>16.5%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>-8.8%</td>
<td>-7.7%</td>
<td>-10.6%</td>
<td>-16.5%</td>
<td>-10.6%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>-10.2%</td>
<td>-5.9%</td>
<td>-12.8%</td>
<td>-18.5%</td>
<td>-12.8%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>-12.5%</td>
<td>-6.3%</td>
<td>-15.7%</td>
<td>-20.5%</td>
<td>-15.7%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>-14.8%</td>
<td>-7.7%</td>
<td>-18.1%</td>
<td>-22.5%</td>
<td>-18.1%</td>
<td></td>
</tr>
</tbody>
</table>

FDI and capital goods import

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI to GDP, %</th>
<th>Capital goods imports to GDP, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>9.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>2004</td>
<td>15.1%</td>
<td>9.1%</td>
</tr>
<tr>
<td>2005</td>
<td>17.2%</td>
<td>12.3%</td>
</tr>
<tr>
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<td>8.2%</td>
</tr>
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</tr>
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<td>6.5%</td>
</tr>
<tr>
<td>2012</td>
<td>8.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td>2013</td>
<td>11.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>2014</td>
<td>11.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>2015</td>
<td>12.6%</td>
<td>8.2%</td>
</tr>
<tr>
<td>2016</td>
<td>8.2%</td>
<td>7.6%</td>
</tr>
<tr>
<td>2017</td>
<td>6.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2018</td>
<td>5.6%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Building international reserves, US$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Goods, net</th>
<th>Services, net</th>
<th>Income, net</th>
<th>Transfers, net</th>
<th>CA deficit</th>
<th>net FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>8.3%</td>
<td>-9.7%</td>
<td>15.3%</td>
<td>16.5%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>9.4%</td>
<td>-7.0%</td>
<td>16.1%</td>
<td>16.8%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>8.5%</td>
<td>-11.1%</td>
<td>15.3%</td>
<td>16.5%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>15.3%</td>
<td>-19.8%</td>
<td>16.5%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>16.5%</td>
<td>-22.0%</td>
<td>16.5%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>11.1%</td>
<td>-10.6%</td>
<td>6.3%</td>
<td>16.5%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>6.3%</td>
<td>-10.3%</td>
<td>4.6%</td>
<td>16.5%</td>
<td>4.6%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>6.1%</td>
<td>-12.8%</td>
<td>5.6%</td>
<td>16.5%</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>6.8%</td>
<td>-11.9%</td>
<td>8.5%</td>
<td>16.5%</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.6%</td>
<td>-10.8%</td>
<td>9.6%</td>
<td>16.5%</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>8.1%</td>
<td>-12.6%</td>
<td>8.1%</td>
<td>16.5%</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>10.8%</td>
<td>-13.1%</td>
<td>5.5%</td>
<td>16.5%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>-8.8%</td>
<td>-7.7%</td>
<td>-10.6%</td>
<td>-16.5%</td>
<td>-10.6%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>-10.2%</td>
<td>-5.9%</td>
<td>-12.8%</td>
<td>-18.5%</td>
<td>-12.8%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>-12.5%</td>
<td>-6.3%</td>
<td>-15.7%</td>
<td>-20.5%</td>
<td>-15.7%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>-14.8%</td>
<td>-7.7%</td>
<td>-18.1%</td>
<td>-22.5%</td>
<td>-18.1%</td>
<td></td>
</tr>
</tbody>
</table>
INFLATION TARGETING SINCE 2009

Annual Inflation

Source: Geostat

Monthly inflation

Source: Geostat

World commodity prices

Source: World Bank

Note: Jan2010=100

Average inflation

Source: Geostat
INTERNATIONAL RESERVES SUFFICIENT TO FINANCE MORE THAN 3 MONTHS OF IMPORTS

International reserves

Source: NBG

Central Bank’s interventions

Source: NBG

Loan and deposit dollarisation

Source: NBG
FLOATING EXCHANGE RATE - POLICY PRIORITY

**FX reserves**

- Official FX reserves, US$ bn
- M2 multiplier

**Nominal and Real effective exchange rate (Jan2003=100)**

- Real effective exchange rate
- Nominal effective exchange rate

**M2 and annual inflation**

- M2, % change, y/y (LHS)
- Annual inflation, eop (RHS)

**M2 and USD/GEL**

- M2, % change, y/y (LHS)
- GEL/USD, % change (RHS)
GROWING AND WELL-CAPITALISED BANKING SECTOR

Summary

- Prudent regulation and oversight ensuring financial stability
- Demonstrated strong resilience towards both domestic and external shocks without single bank going bankrupt
- No nationalization of the banks and no government ownership since 1994
- Resilient to different shocks to the economy, room for healthy credits growth with retail loans at 35.6% of GDP and total loans at 64.7% of GDP in 2018

Source: National Bank of Georgia, GeoStat

Banking sector assets, loans and deposits

Source: NBG

Banking Sector loans to GDP, 2018

Source: IMF, NBG

<table>
<thead>
<tr>
<th>Country</th>
<th>Loans to GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>51.5%</td>
</tr>
<tr>
<td>Russia</td>
<td>52.2%</td>
</tr>
<tr>
<td>Poland</td>
<td>52.7%</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>52.8%</td>
</tr>
<tr>
<td>Bosnia &amp; Herz</td>
<td>54.5%</td>
</tr>
<tr>
<td>Armenia</td>
<td>54.8%</td>
</tr>
<tr>
<td>Croatia</td>
<td>56.0%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>61.4%</td>
</tr>
<tr>
<td>Estonia</td>
<td>64.1%</td>
</tr>
<tr>
<td>Turkey</td>
<td>64.2%</td>
</tr>
<tr>
<td>Georgia</td>
<td>64.7%</td>
</tr>
<tr>
<td>Israel</td>
<td>66.5%</td>
</tr>
</tbody>
</table>

Non-performing loans, Latest-2018

Source: IMF, NBG

<table>
<thead>
<tr>
<th>Country</th>
<th>Non-performing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Rep.</td>
<td>1.9%</td>
</tr>
<tr>
<td>Georgia</td>
<td>2.7%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>2.7%</td>
</tr>
<tr>
<td>Hungary</td>
<td>2.9%</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.0%</td>
</tr>
<tr>
<td>Poland</td>
<td>4.0%</td>
</tr>
<tr>
<td>Belarus</td>
<td>4.1%</td>
</tr>
<tr>
<td>Romania</td>
<td>5.6%</td>
</tr>
<tr>
<td>Latvia</td>
<td>6.0%</td>
</tr>
<tr>
<td>Armenia</td>
<td>6.3%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>8.7%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>8.8%</td>
</tr>
<tr>
<td>Bosnia &amp; Herz</td>
<td>9.4%</td>
</tr>
<tr>
<td>Russia</td>
<td>10.7%</td>
</tr>
<tr>
<td>Croatia</td>
<td>11.1%</td>
</tr>
<tr>
<td>Portugal</td>
<td>11.3%</td>
</tr>
</tbody>
</table>
GROWING ECONOMY SUPPORTS HEALTHY CREDIT GROWTH

Banking sector corporate & retail loans to GDP

Source: NBG, Geostat

Mortgage loans

Source: NBG

Real estate price index

Source: NBG, Geostat

Inflation adjusted real estate price index (2010=100, GEL)
FLEXIBLE FX REGIME SUPPORTS TO MACRO STABILITY

Currency weakening vs. US$

Source: Bloomberg
Note: US$ per unit of national currency, period 1-Aug-2014 – 31-Mar-2019

16.4% 16.4% 19.9% 35.6% 45.6% 51.8% 51.9% 53.9% 54.9% 61.7%

Euro Armenia Moldova Georgia Russia Belarus Kazakhstan Azerbaijan Ukraine Turkey

Inflation remains low in Georgia

Source: National Statistics Offices

End-2018 Mar-19
Armenia 1.9% 2.4% 3.7% 4.8% 5.3% 5.8% 8.6% 19.7%
Azerbaijan 5.75% 6.50% 7.75% 9.00% 9.25% 10.00% 18.00% 24.00%
Georgia Russia Kazakhstan Belarus Ukraine Turkey

Monetary policy rate low vs. peers

Source: Central banks

End-2018 Mar-19
Armenia Georgia Russia Azerbaijan Kazakhstan Belarus Ukraine Turkey
RECENT TREND – TOURIST ARRIVALS, EXPORTS AND REMITTANCES UP

Tourism revenues up 4.4% y/y in 1Q19

Remittances up 6.5% y/y in 1Q19

Exports up 12.8% y/y in 1Q19

Trade deficit down 14.2% y/y in 1Q19
EXPOSURE TO PARTNER COUNTRIES WELL DIVERSIFIED

Exports, tourism, FDI and remittances, % of GDP

Summary

In 2018:

- The EU became the largest source of remittances, replacing Russia (35% vs. 29% share in total)
- The EU remains Georgia’s largest FDI provider
- Azerbaijan became the top export market again, accounting for 15% of the total and replacing Russia
- Russia became Georgia’s largest source of tourism revenues, replacing Turkey.

Well diversified economic linkages (exports, tourism, FDI and remittances), 2018

Economic linkages breakdown

<table>
<thead>
<tr>
<th>% of GDP, 2018</th>
<th>Exports</th>
<th>Tourism</th>
<th>FDI</th>
<th>Remittances</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>20.7%</td>
<td>19.9%</td>
<td>7.6%</td>
<td>9.7%</td>
<td>57.9%</td>
</tr>
<tr>
<td>EU</td>
<td>4.5%</td>
<td>1.4%</td>
<td>3.5%</td>
<td>3.4%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>2.7%</td>
<td>3.4%</td>
<td>0.4%</td>
<td>2.8%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>1.4%</td>
<td>2.6%</td>
<td>-0.1%</td>
<td>0.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1.1%</td>
<td>0.5%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>3.1%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>0.1%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Armenia</td>
<td>1.7%</td>
<td>1.6%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Other countries</td>
<td>6.2%</td>
<td>9.2%</td>
<td>2.1%</td>
<td>2.5%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

Note: Negative FDI from Turkey reflects purchase of Turkish company Geocell by resident Georgian company Silknet
CONTENTS

- Group Overview 4
- Results Discussion 8
- Georgian Macro Overview 31
- Appendices 52
Robust Corporate Governance based on UK Corporate Governance Code

**Neil Janin, Independent Non-Executive Chairman**
Experience: formerly Director at McKinsey & Company in Paris; formerly co-chairman of the commission of the French Institute of Directors (IFA); formerly Chase Manhattan Bank in New York and Paris

**Hanna Loikkanen, Senior Independent Non-Executive Director**
Experience: currently advisor to East Capital Private Equity AB; Non-Executive Director of PJSC Rosbank; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB

**Tamaz Georgadze, Independent Non-Executive Director**
Experience: Executive Director and founder of Raisin GmbH (formerly SavingGlobal GmbH); formerly: Partner at McKinsey & Company in Berlin, aide to President of Georgia

**Cecil Quillen, Independent Non-Executive Director**
Experience: Partner at Linklaters LLP with nearly 29 years of experience in working on a broad spectrum of securities and finance matters

**Véronique McCarroll, Independent Non-Executive Director**
Experience: 30 years’ experience in Financial Services; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young

**Archil Gachechiladze, Chief Executive Officer**
Experience: with the Group since 2009; originally joined as Deputy CEO, Corporate Banking; formerly: CEO of Georgian Global Utilities. Over 17 years’ experience in the financial services

**Al Breach, Independent Non-Executive Director**
Experience: Director of Gemsstock Ltd, The Browser and Furka Holdings AG, and advisor to East Capital; formerly: Head of Research, Strategist & Economist at UBS Russia and CIS, economist at Goldman Sachs

**Jonathan Muir, Independent Non-Executive Director**
Experience: CEO of LetterOne Holdings SA and of LetterOne Investment Holdings; formerly: CFO and Vice President of Finance and Control of TNK-BP, Partner at Ernst & Young

**Andreas Wolf, Independent Non-Executive Director**
Experience: Head of Strategy and Business Development for MHB-Bank AG in Germany and an advisor to Raisin, a European deposit brokerage marketplace; formerly: Partner at McKinsey & Company in Frankfurt

**Hanna Loikkanen, Senior Independent Non-Executive Director**
Experience: currently advisor to East Capital Private Equity AB; Non-Executive Director of PJSC Rosbank; formerly: Senior executive at East Capital, FIM Group Russia, Nordea Finance, SEB

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Experience: 30 years’ experience in Financial Services; formerly: Executive Director at Crédit Agricole CIB, Partner at McKinsey & Company, Oliver Wyman and Andersen/ Ernst & Young
HIGHLY EXPERIENCED MANAGEMENT TEAM

Senior Executive Compensation Policy applies to top executives and envisages long-term deferred and discretionary awards of securities and no cash bonuses to be paid to such executives.

Archil Gachechiladze, Chief Executive Officer
With the Group since 2009. Previously, CEO of Georgian Global Utilities. Held various positions with the Group, such as Deputy CEO, Corporate Banking, Deputy CEO, Investment Management, CFO of BGEO Group, Deputy CEO, Corporate Investment Banking. More than 17 years of experience of senior roles at TBC Bank, Lehman Brothers Private Equity, Salford Equity Partners, KPMG, World Bank. Holds an MBA from Cornell University.

Sulkhan Gvalia, Chief Financial Officer
With the Group since 2004. Previously, founder and CEO of E-Space Limited, Tbilisi. Held various positions with the Group, such as Chief Risk Officer and Head of Corporate Banking. Prior to joining the Group, served as Deputy Chairman of the management board of TbilUniversalBank, prior to its acquisition by the Bank. Also, serves as non-executive independent director at Inecobank (Armenia). Holds a law degree from Tbilisi State University.

Levan Kulijanishvili, Deputy CEO, Operations

George Chiladze, Deputy CEO, Chief Risk Officer
With the Group since 2008. Joined as a Deputy CEO in charge of finance at the Bank. Left the Group in 2011 and rejoined in 2013 as Deputy CEO, Chief Risk Officer. Prior to rejoining the Group, he was Deputy CEO at the Partnership Fund. Prior to returning to Georgia in 2003, he worked at the programme trading desk at Bear Stearns in New York City. Holds a PhD in physics from Johns Hopkins University in Baltimore, Maryland.

Mikheil Gomarteli, Deputy CEO, Emerging and Mass Retail Banking
With the Group since 1997. Mikheil is a textbook professional growth story made possible in our Group – he developed his way from selling debit cards door-to-door to successfully leading our Retail Banking franchise for over ten years now. Holds an undergraduate degree in Economics from Tbilisi State University.

Vakhtang Bobokhidze, Deputy CEO, Information Technologies
With the Group since 2005. Joined as Quality Control Manager. Left the Group in 2010 and rejoined the Group in December 2010. Prior to being appointed as Deputy CEO, served as Head of IT Department since 2016. Holds an MBA from Tbilisi State University.

Vasil Khodeli, Deputy CEO
With the Group since 1998. Previously served as Deputy CEO, Corporate Investment Banking since 2017 and Head of Corporate Banking of the Bank since 2004. He has more than 20 years of banking experience and has held various roles with the Group. Holds an MBA from Grenoble Business School.
### Bank of Georgia Group Income Statement

<table>
<thead>
<tr>
<th>GEL thousands, unless otherwise noted</th>
<th>Bank of Georgia Group Consolidated Change</th>
<th>Bank of Georgia Group Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q18</td>
<td>1Q18</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(excluding one-offs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (diluted)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Bank of Georgia Group Income Statement

<table>
<thead>
<tr>
<th>GEL thousands, unless otherwise noted</th>
<th>Banking Business Change</th>
<th>Discontinued Operations Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q18</td>
<td>1Q18</td>
</tr>
<tr>
<td></td>
<td>1Q18</td>
<td>1Q18</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (basic)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (diluted)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Bank of Georgia Group Income Statement

<table>
<thead>
<tr>
<th>GEL thousands, unless otherwise noted</th>
<th>Eliminations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q19</td>
</tr>
<tr>
<td></td>
<td>1Q18</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td></td>
</tr>
<tr>
<td>Earnings per share (basic)</td>
<td></td>
</tr>
<tr>
<td>Earnings per share (diluted)</td>
<td></td>
</tr>
</tbody>
</table>
### BANK OF GEORGIA GROUP BALANCE SHEET

#### GEL thousands, unless otherwise noted

<table>
<thead>
<tr>
<th>Category</th>
<th>Bank of Georgia Group Consolidated</th>
<th>Banking Business</th>
<th>Discontinued Operations</th>
<th>Eliminations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>15,054,570</td>
<td>15,054,570</td>
<td>15,054,570</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,162,168</td>
<td>1,162,168</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Amounts due from credit institutions</td>
<td>1,391,630</td>
<td>1,391,630</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Investment securities</td>
<td>1,948,592</td>
<td>1,948,592</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Loans to customers and finance lease receivables</td>
<td>9,570,691</td>
<td>9,570,691</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and other loans</td>
<td>3,134</td>
<td>3,134</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>31,621</td>
<td>31,621</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>11,756</td>
<td>11,756</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>91,248</td>
<td>91,248</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Investment property</td>
<td>169,328</td>
<td>169,328</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>349,728</td>
<td>349,728</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>33,352</td>
<td>33,352</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>87,005</td>
<td>87,005</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Income tax assets</td>
<td>19,446</td>
<td>19,446</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>144,243</td>
<td>144,243</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>40,528</td>
<td>40,528</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Assets of disposal group held for distribution</td>
<td>-</td>
<td>-</td>
<td>3,841,004</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>13,194,528</td>
<td>13,194,528</td>
<td>13,194,528</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td>19,446</td>
<td>19,446</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>1,162,168</td>
<td>1,162,168</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>495,452</td>
<td>495,452</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Treasury shares</td>
<td>495,452</td>
<td>495,452</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td>36,474</td>
<td>36,474</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,376,834</td>
<td>1,376,834</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Reserves of disposal group held for distribution</td>
<td>-</td>
<td>-</td>
<td>1,964,463</td>
<td></td>
</tr>
<tr>
<td>Total equity attributable to shareholders of the Group</td>
<td>1,910,336</td>
<td>1,910,336</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>8,445</td>
<td>8,445</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>1,918,781</td>
<td>1,918,781</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>15,054,570</td>
<td>15,054,570</td>
<td>15,054,570</td>
<td></td>
</tr>
<tr>
<td>Book value per share</td>
<td>39.88</td>
<td>39.88</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

*The y-o-y decline in Book value per share as at 31 March 2019 is driven by the demerger of Investment Business to Georgia Capital PLC on 29 May 2018 and the issuance and allotment of additional 9,784,716 Bank of Georgia Group shares (equivalent to 19.9% of Bank of Georgia Group’s issued ordinary share capital) to Georgia Capital.*

*Change y-o-y = change from March 2018 to March 2019*
## INCOME STATEMENT, HIGHLIGHTS

**GEL thousands, unless otherwise stated**

<table>
<thead>
<tr>
<th></th>
<th>1Q19</th>
<th>1Q18</th>
<th>Change y-o-y</th>
<th>4Q18</th>
<th>Change q-o-q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>6,585</td>
<td>6,544</td>
<td>0.6%</td>
<td>6,471</td>
<td>1.8%</td>
</tr>
<tr>
<td>Net fee and commission income</td>
<td>1,812</td>
<td>2,277</td>
<td>-20.4%</td>
<td>1,356</td>
<td>33.6%</td>
</tr>
<tr>
<td>Net foreign currency gain</td>
<td>3,955</td>
<td>3,277</td>
<td>20.7%</td>
<td>5,261</td>
<td>-24.8%</td>
</tr>
<tr>
<td>Net other income</td>
<td>147</td>
<td>117</td>
<td>25.6%</td>
<td>332</td>
<td>-55.7%</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>12,499</td>
<td>12,215</td>
<td>2.3%</td>
<td>13,420</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(7,847)</td>
<td>(7,721)</td>
<td>1.6%</td>
<td>(8,785)</td>
<td>-10.7%</td>
</tr>
<tr>
<td><strong>Operating profit before cost of risk</strong></td>
<td>4,652</td>
<td>4,494</td>
<td>3.5%</td>
<td>4,635</td>
<td>0.4%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>(1,442)</td>
<td>(717)</td>
<td>101.1%</td>
<td>670</td>
<td>NMF</td>
</tr>
<tr>
<td>Net non-recurring items</td>
<td>(50)</td>
<td>(700)</td>
<td>-92.9%</td>
<td>(8)</td>
<td>NMF</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td>3,160</td>
<td>3,077</td>
<td>2.7%</td>
<td>5,297</td>
<td>-40.3%</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(571)</td>
<td>(779)</td>
<td>-26.7%</td>
<td>(1,162)</td>
<td>-50.9%</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>2,589</td>
<td>2,298</td>
<td>12.7%</td>
<td>4,135</td>
<td>-37.4%</td>
</tr>
</tbody>
</table>

## BALANCE SHEET, HIGHLIGHTS

**GEL thousands, unless otherwise stated**

<table>
<thead>
<tr>
<th></th>
<th>Mar-19</th>
<th>Mar-18</th>
<th>Change y-o-y</th>
<th>Dec-18</th>
<th>Change q-o-q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>79,497</td>
<td>77,403</td>
<td>2.7%</td>
<td>110,340</td>
<td>-28.0%</td>
</tr>
<tr>
<td>Amounts due from credit institutions</td>
<td>20,556</td>
<td>10,387</td>
<td>97.9%</td>
<td>19,664</td>
<td>4.5%</td>
</tr>
<tr>
<td>Investment securities</td>
<td>116,082</td>
<td>40,819</td>
<td>NMF</td>
<td>67,734</td>
<td>71.4%</td>
</tr>
<tr>
<td>Loans to customers and finance lease receivables</td>
<td>451,665</td>
<td>377,680</td>
<td>19.6%</td>
<td>432,657</td>
<td>4.4%</td>
</tr>
<tr>
<td>Other assets</td>
<td>54,001</td>
<td>37,731</td>
<td>43.1%</td>
<td>50,155</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>721,801</td>
<td>544,020</td>
<td>32.7%</td>
<td>680,550</td>
<td>6.1%</td>
</tr>
<tr>
<td>Client deposits and notes</td>
<td>425,563</td>
<td>288,337</td>
<td>47.6%</td>
<td>389,001</td>
<td>9.4%</td>
</tr>
<tr>
<td>Amounts due to credit institutions</td>
<td>144,314</td>
<td>144,208</td>
<td>0.1%</td>
<td>162,823</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>53,846</td>
<td>30,726</td>
<td>75.2%</td>
<td>38,163</td>
<td>41.1%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>9,477</td>
<td>7,331</td>
<td>29.3%</td>
<td>5,300</td>
<td>78.8%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>633,200</td>
<td>470,602</td>
<td>34.6%</td>
<td>595,287</td>
<td>6.4%</td>
</tr>
<tr>
<td>Total equity</td>
<td>88,601</td>
<td>73,418</td>
<td>20.7%</td>
<td>85,263</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>721,801</td>
<td>544,020</td>
<td>32.7%</td>
<td>680,550</td>
<td>6.1%</td>
</tr>
</tbody>
</table>
### BANKING BUSINESS KEY RATIOS

<table>
<thead>
<tr>
<th>Profitability</th>
<th>1Q19</th>
<th>1Q18</th>
<th>4Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROAA, annualised **</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>ROAA, annualised (unadjusted)</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>ROAE, annualised **</td>
<td>24.5%</td>
<td>26.2%</td>
<td>27.0%</td>
</tr>
<tr>
<td>RB ROAE **</td>
<td>25.3%</td>
<td>31.8%</td>
<td>28.4%</td>
</tr>
<tr>
<td>CIB ROAE **</td>
<td>27.1%</td>
<td>19.8%</td>
<td>28.5%</td>
</tr>
<tr>
<td>ROAE, annualised (unadjusted)</td>
<td>22.2%</td>
<td>26.2%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Net interest margin, annualised</td>
<td>5.8%</td>
<td>7.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>RB NIM</td>
<td>6.4%</td>
<td>8.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>CIB NIM</td>
<td>3.4%</td>
<td>3.2%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Loan yield, annualised</td>
<td>12.2%</td>
<td>13.9%</td>
<td>12.8%</td>
</tr>
<tr>
<td>RB Loan yield</td>
<td>13.6%</td>
<td>15.8%</td>
<td>14.2%</td>
</tr>
<tr>
<td>CIB Loan yield</td>
<td>9.1%</td>
<td>9.9%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Liquid assets yield, annualised</td>
<td>3.8%</td>
<td>3.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Cost of funds, annualised</td>
<td>4.8%</td>
<td>4.8%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Cost of client deposits and notes, annualised</td>
<td>3.3%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>RB Cost of client deposits and notes</td>
<td>3.0%</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>CIB Cost of client deposits and notes</td>
<td>3.6%</td>
<td>3.9%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Cost of amounts due to credit institutions, annualised</td>
<td>7.6%</td>
<td>6.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Cost of debt securities issued</td>
<td>7.8%</td>
<td>7.7%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Operating leverage, y-o-y ***</td>
<td>5.0%</td>
<td>-3.6%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Operating leverage, q-o-q ***</td>
<td>3.6%</td>
<td>2.6%</td>
<td>-2.3%</td>
</tr>
</tbody>
</table>

### Efficiency

| Cost / Income *** | 35.5% | 37.2% | 36.9% |
| RB Cost / Income *** | 35.5% | 36.7% | 36.7% |
| CIB Cost / Income *** | 26.9% | 32.5% | 29.6% |
| Cost / Income (unadjusted) | 38.6% | 37.2% | 36.9% |

### Liquidity

| NBG liquidity ratio (minimum requirement 30%) | 36.7% | 36.5% | 31.9% |
| NBG liquidity coverage ratio (minimum requirement 100%) | 133.1% | 135.2% | 120.1% |
| Liquid assets to total liabilities | 34.3% | 38.9% | 34.9% |
| Net loans to client deposits and notes | 114.0% | 107.2% | 115.5% |
| Net loans to client deposits and notes + DFIs | 98.6% | 92.1% | 99.6% |
| Leverage (times) | 6.8 | 7.3 | 7.2 |

### Asset Quality:

| NPLs (in GEL) | 326,127 | 279,754 | 318,356 |
| NPLs to gross loans to clients | 3.3% | 3.5% | 3.3% |
| NPL coverage ratio | 92.2% | 101.2% | 90.5% |
| NPL coverage ratio, adjusted for discounted value of collateral | 132.6% | 143.2% | 129.9% |
| Cost of credit risk, annualised | 1.7% | 1.8% | 1.1% |
| RB Cost of credit risk | 2.4% | 2.2% | 1.7% |
| CIB Cost of credit risk | 0.1% | 1.3% | -0.2% |

### Capital Adequacy:

| NBG (Basel III) Tier I capital adequacy ratio | 12.7% | 12.4% | 12.2% |
| Minimum regulatory requirement | 11.6% | 10.2% | 11.4% |
| NBG (Basel III) Total capital adequacy ratio | 17.1% | 17.3% | 16.6% |
| Minimum regulatory requirement | 15.1% | 16.4% | 15.9% |

---

* For the description of Key Ratios, refer to page 65
** 1Q19 and 4Q18 results adjusted for one-off employee costs related to termination benefits of the former CEO and executive management
*** 1Q19 results adjusted for one-off employee costs related to termination benefits of the former executive management
**KEY OPERATING DATA**

<table>
<thead>
<tr>
<th>Selected operating data:</th>
<th>Mar-19</th>
<th>Mar-18</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets per FTE</td>
<td>2,017</td>
<td>1,858</td>
<td>1,995</td>
</tr>
<tr>
<td>Number of active branches, of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Express branches (including Metro)</td>
<td>276</td>
<td>282</td>
<td>276</td>
</tr>
<tr>
<td>- Bank of Georgia branches</td>
<td>166</td>
<td>156</td>
<td>165</td>
</tr>
<tr>
<td>- Solo lounges</td>
<td>98</td>
<td>114</td>
<td>99</td>
</tr>
<tr>
<td>Number of ATMs</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Number of cards outstanding, of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Debit cards</td>
<td>1,627,070</td>
<td>1,597,662</td>
<td>1,630,235</td>
</tr>
<tr>
<td>- Credit cards</td>
<td>512,169</td>
<td>648,734</td>
<td>547,038</td>
</tr>
<tr>
<td>Number of POS terminals*</td>
<td>17,684</td>
<td>12,571</td>
<td>16,870</td>
</tr>
<tr>
<td>FX Rates:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEL/US$ exchange rate (period-end)</td>
<td>2.6914</td>
<td>2.4144</td>
<td>2.6766</td>
</tr>
<tr>
<td>GEL/GBP exchange rate (period-end)</td>
<td>3.5147</td>
<td>3.3932</td>
<td>3.3955</td>
</tr>
<tr>
<td>Full time employees (FTE), of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Full time employees, BOG standalone</td>
<td>7,465</td>
<td>7,102</td>
<td>7,416</td>
</tr>
<tr>
<td>- Full time employees, BNB</td>
<td>5,886</td>
<td>5,505</td>
<td>5,828</td>
</tr>
<tr>
<td>- Full time employees, BB other</td>
<td>644</td>
<td>708</td>
<td>669</td>
</tr>
<tr>
<td>Shares outstanding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>47,899,817</td>
<td>37,431,257</td>
<td>47,626,147</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>1,269,611</td>
<td>1,953,455</td>
<td>1,543,281</td>
</tr>
<tr>
<td>Total shares outstanding</td>
<td>49,169,428</td>
<td>39,384,712</td>
<td>49,169,428</td>
</tr>
</tbody>
</table>

*Includes 2,650 POS terminals operating in public transportation network in 1Q19 and 4Q18
EXPRESS BANKING

1. 166 Express Branches
   - Opening accounts and deposits
   - Issuing loans and credit cards
   - Credit card and loan repayments
   - Cash deposit into accounts
   - Money transfers
   - Utility and other payments

2. 825,710 Express Cards for Transport payments
   - Acts as payments card in metro, buses and mini-buses

3. 3,152 Express Pay Terminals
   - Credit card repayments
   - Loan repayments
   - Cash deposit into accounts
   - Loan activation
   - Utility and other payments
   - Mobile top-ups

4. 17,684* POS Terminals at 5,902 Merchants
   - Payments via cards and points
   - P2P transactions between merchant and supplier
   - Credit limit with 0% interest rate

* Includes 2,650 POS terminals operating in public transportation network
EXPRESS - CAPTURING EMERGING MASS MARKET CUSTOMERS

Number of Transactions ‘000s

<table>
<thead>
<tr>
<th>Service</th>
<th>1Q17</th>
<th>1Q18</th>
<th>1Q19</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tellers</td>
<td>3,237</td>
<td>2,714</td>
<td>3,220</td>
<td>-1%</td>
</tr>
<tr>
<td>Mobile banking</td>
<td>2,818</td>
<td>1,719</td>
<td>1,421</td>
<td>-17%</td>
</tr>
<tr>
<td>Internet banking</td>
<td>6,698</td>
<td>9,231</td>
<td>9,770</td>
<td>+3%</td>
</tr>
<tr>
<td>Express cards</td>
<td>9,742</td>
<td>13,207</td>
<td>16,530</td>
<td>+70%</td>
</tr>
<tr>
<td>POS terminals</td>
<td>5,138</td>
<td>5,973</td>
<td>6,518</td>
<td>+27%</td>
</tr>
<tr>
<td>ATMs</td>
<td>8,608</td>
<td>10,911</td>
<td>11,043</td>
<td>+28%</td>
</tr>
<tr>
<td>Express branches</td>
<td>25,160</td>
<td>25,835</td>
<td>26,751</td>
<td>+6%</td>
</tr>
<tr>
<td>Express Pay terminals</td>
<td>25,160</td>
<td>25,835</td>
<td>26,751</td>
<td>+6%</td>
</tr>
</tbody>
</table>

EXPRESS - CAPTURING EMERGING MASS MARKET CUSTOMERS

Number of Transactions ‘000s

<table>
<thead>
<tr>
<th>Service</th>
<th>1Q17</th>
<th>1Q18</th>
<th>1Q19</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
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<td>25,835</td>
<td>26,751</td>
<td>+6%</td>
</tr>
</tbody>
</table>
SOLO - A FUNDAMENTALLY DIFFERENT APPROACH TO PREMIUM BANKING

The target of 40,000 Solo clients (currently 47,057) already achieved ahead of time. We target growth through increasing engagement of existing clients and maximising the Profit per client and Product per client measures.

SOLO Lounges

New Solo offers:
• Tailor made banking solutions
• New financial products such as bonds
• Concierge-style environment
• Access to exclusive products and events
• Lifestyle opportunities

Solo Club
Launched in 2Q17, a membership group within Solo, which offers exclusive access to Solo products and offers ahead of other Solo clients, continues to increase its client base. At 31 March 2019, Solo Club had 4,446 members, up 16.2% q-o-q
SOLO – EDUCATION, TRAVEL, HEALTH, ENTERTAINMENT
As of 31 March 2019, we have 76 branches operating on our client-centric model.
LOYALTY PROGRAMME

Relationship brings a PLUS

- Status levels can be achieved by using multiple banking products
- Points are collected through different interactions with the bank
- Status level qualifies clients for exclusive benefits
- Points can be easily redeemed for specific rewards

Programme members: 1.42 mln
Social campaigns per month: 9

Programme partners: 148
Active special offers: 416

Transactions with Plus points: 130K
NOTES TO KEY RATIOS

- **Cost of funds** Interest expense of the period divided by monthly average interest bearing liabilities;
- **Cost of credit risk** Expected loss/impairment charge for loans to customers and finance lease receivables for the period divided by monthly average gross loans to customers and finance lease receivables over the same period;
- **Cost to income ratio** Operating expenses divided by operating income;
- **Interest bearing liabilities** Amounts due to credit institutions, client deposits and notes, and debt securities issued;
- **Interest earning assets (excluding cash)** Amounts due from credit institutions, investment securities (but excluding corporate shares) and net loans to customers and finance lease receivables;
- **Leverage (times)** Total liabilities divided by total equity;
- **Liquid assets** Cash and cash equivalents, amounts due from credit institutions and investment securities;
- **Liquidity coverage ratio (LCR)** High quality liquid assets (as defined by NBG) divided by net cash outflows over the next 30 days (as defined by NBG);
- **Loan yield** Interest income from loans to customers and finance lease receivables divided by monthly average gross loans to customers and finance lease receivables;
- **NBG liquidity ratio** Daily average liquid assets (as defined by NBG) during the month divided by daily average liabilities (as defined by NBG) during the month;
- **NBG (Basel III) Tier I capital adequacy ratio** Tier I capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **NBG (Basel III) Total capital adequacy ratio** Total regulatory capital divided by total risk weighted assets, both calculated in accordance with the requirements of the National Bank of Georgia instructions;
- **Net interest margin (NIM)** Net interest income of the period divided by monthly average interest earning assets excluding cash for the same period;
- **Non-performing loans (NPLs)** The principal and interest on loans overdue for more than 90 days and any additional potential losses estimated by management;
- **NPL coverage ratio** Allowance for expected credit loss/impairment loss of loans and finance lease receivables divided by NPLs;
- **NPL coverage ratio adjusted for discounted value of collateral** Allowance for expected credit loss/impairment loss of loans and finance lease receivables divided by NPLs (discounted value of collateral is added back to allowance for expected credit loss/impairment loss);
- **Operating leverage** Percentage change in operating income less percentage change in operating expenses;
- **Return on average total assets (ROAA)** Profit for the period divided by monthly average total assets for the same period;
- **Return on average total equity (ROAE)** Profit for the period attributable to shareholders of the Group divided by monthly average equity attributable to shareholders of the Group for the same period;
- **NMF** Not meaningful
COMPANY INFORMATION

Registered Address
84 Brook Street
London W1K 5EH
United Kingdom
Registered under number 10917019 in England and Wales

Secretary
Link Company Matters Limited
65 Gresham Street
London EC2V 7NQ
United Kingdom

Stock Listing
London Stock Exchange PLC’s Main Market for listed securities
Ticker: “BGEO.LN”

Contact Information
Bank of Georgia Group PLC Investor Relations
Telephone: +44 (0) 203 178 4052; +995 322 444444 (9282)
E-mail: ir@bog.ge
www.bankofgeorgiagroup.com

Auditors
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

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Investor Centre Web Address - www.investorcentre.co.uk
Investor Centre Shareholder Helpline - +44 (0)370 873 5866

Share price information
Shareholders can access both the latest and historical prices via the website,
www.bankofgeorgiagroup.com